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IN THE

Supreme Court of the United States

OCTOBER TERM, 1949.

No. 331

BERNARD EDWARD CO.,
Petitioner,

vs.

DOUGLASS R. FALKENBERG,
Respondent.

PETITION FOR A WRIT OF CERTIORARI AND BRIEF IN SUPPORT THEREOF.

WILL FREEMAN,
Counsel for Petitioner.

W. M. VAN SCIVER,
Of Counsel.
Chicago, Illinois,

THE BLAKELY-WARREN PRINTING COMPANY, 810 WEST JACKSON, CHICAGO

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Respondent.

PETITION FOR A WRIT OF CERTIORARI.

To the Honorable, the Chief Justice and Associate Justices of the Supreme Court of the United States:

Your Petitioner, Bernard Edward Co., of Chicago, Illinois, respectfully prays for a writ of certiorari to the United States Court of Appeals for the Seventh Circuit, to review the judgment entered by that Court, June 21, 1949 (R. 153 to 160), reported at 175 F. (2d) 427, reversing the judgment of the District Court for the Northern District of Illinois, Southern Division, reported at 79 F. Supp. 417 (R. 107 to 109), in which the District Court adjudged that Claims 14 and 15 of the United States Letters Patent No. 2,409,425, issued to Respondent, Douglass R. Falkenberg, on October 15, 1946 (R. 119 to 127), were invalid.

A certified transcript of the Record in this case is furnished herewith, in accordance with Rule 38 of the Rules of this Court.

Summary Statement of Matters Involved.

This is a suit brought by Respondent, FALKENBERG, for a decree adjudging that Claims 14 and 15 of Falkenberg Patent No. 2,409,425 (R. 119 to 127) are valid and Petitioner has infringed and contributed to the infringement thereof.

The Falkenberg patent in suit relates to a hanger for drapery materials for obtaining a decorative effect in the home (R. 125).

Claim 14 covers a single hanger (mounting). Claim 15, however, covers a pair of hangers (mountings) in combination with a support and, as far as that claim is concerned, the hanger is an unpatented part. Both Petitioner and Respondent manufacture and sell only hangers and do not manufacture or sell a support, which is the window frame. If Claim 15 may be read on Petitioner's structure, Petitioner can be only a contributory infringer, as recognized by Respondent's Complaint (R. 3).

The question of misuse of the patent was presented to the District Court in Petitioner's Brief, but that Court in its decision (R. 107 to 109) passed only on the question of validity. The District Court decided that the claims were invalid because they did not arise to the dignity of invention in accordance with the standards laid down in the case of

Cuno Engineering Corp. v. *Automatic Devices Corp.*, 314 U. S. 84, (1941).

There was no holding in the District Court that the claims in issue were infringed. There was a holding that the *commercial* devices were similar. Respondent then appealed.

The Court of Appeals for the Seventh Circuit passed on all of the defenses raised.

The Court of Appeals held that the claims were valid

and reversed the District Court. The District Court stated that as a result of the decision in

> *Cuno Engineering Corp.* v. *Automatic Devices Corp.*, 314 U. S. 84, (1941),

something additional had been added by the Supreme Court to the tests for invention, but the Court of Appeals rejected that reasoning. Petitioner urged that regardless of the tests used, that is, the tests of the Supreme Court cases, or the tests of later cases by the Court of Appeals for the Seventh Circuit, still the subject matter of the claims in issue did not amount to invention.

It is particularly of note that the Court of Appeals *independently* decided (R. 160) that the claims in suit were infringed, even though the Petitioner can only be guilty of contributory infringement of Claim 15, and even though the District Court made *no* finding of fact or conclusion of law with respect to infringement. This is contrary to Rule 52(a) of the Rules of Civil Procedure. There was also *no* assignment of error with respect to that question by Respondent. Such practice as to findings of fact and conclusions of law has been condemned many times by this Court, for example in

> *Public Service Commission of Wisconsin, et al.* v. *Wisconsin Telephone Co.*, 289 U. S. 67, (1933);
> *Oil Shares Incorporated* v. *Commercial Trust Company of New Jersey, et al.*, 304 U. S. 551, (1938).

The Court of Appeals decided that the claims in suit were not invalidated by any of the patents cited by Petitioner.

The Court of Appeals held that there was no misuse of the patent in suit.

The Court of Appeals decided that there was no file wrapper estoppel as to the claims in suit.

Judgment, therefore, was for Respondent.

Jurisdiction.

The jurisdiction of this Court is invoked under Section 1254 (1) of the Judicial Code of September 1, 1948 (Title 28, U. S. Code) and under the Anti-Trust Laws, Title 15, U. S. Code, Section 15.

Questions Presented.

I. First Question—Misuse.

1. Under the decisions of this Court in

Mercoid Corporation v. *Mid-Continent Inv. Co., et al.*, 320 U. S. 661, (1944);

Mercoid Corporation v. *Minneapolis-Honeywell Regulator Co.*, 320 U. S. 680, (1944);

Keystone Driller Co. v. *General Excavator Co.*, 290 U. S. 240, (1933),

are the Anti-Trust Laws violated *per se* when a patentee uses one combination claim in a patent to control and protect his business in something less than the complete claim of the patent (in other words, in an "unpatented part"), in view of the fact that the same patent contains a claim which is for the part alone?

2. In a suit involving two claims of a patent, where one claim is misused (to protect the sale of an unpatented part insofar as that misused claim is concerned), does such misuse amount to unclean hands to preclude relief as to the other claim, in view of the decisions by this Court in

Keystone Driller Co. v. *General Excavator Co.*, 290 U. S. 240, (1933);

Precision Instrument Mfg. Co., et al. v. *Automotive Maintenance Machinery Co.*, 324 U. S. 806, (1945)?

II. Second Question—Contributory Infringement.

Does the Doctrine of Contributory Infringement extend to a situation where Petitioner is now precluded from manufacturing and selling a drapery hanger of an expired patent, when the infringement is brought about by the user of the hanger placing it *at an angle on a window frame* instead of *horizontally on a window frame*, as is shown in the expired patent?

III. Third Question—"Cuno" Doctrine.

In view of the many decisions of this Court defining invention, including the case of

Cuno Engineering Corp. v. *Automatic Devices Corp.*, 314 U. S. 84, (1941),

which the Court of Appeals said "*we reject,*" but which the District Court followed, do the claims of the Falkenberg patent in issue arise to the dignity of invention?

Reasons for Granting the Writ.

The discretionary power of this Court to grant a writ of certiorari is invoked upon the following grounds:

1. *Conflict with applicable decisions of this Court.*

a. The decision of the Court of Appeals in failing to hold that Claim 15 of the patent in suit is not enforceable because of misuse due to violation of the Anti-Trust Laws (using a combination claim to protect the patentee in sale of something less than the full claim of the patent) is in direct conflict with the decisions of this Court in

Mercoid Corporation v. *Minneapolis-Honeywell Regulator Co.*, 320 U. S. 680, (1944);

Mercoid Corporation v. *Mid-Continent Inv. Co., et al.*, 320 U. S. 661, (1944);

B. B. Chemical Co. v. *Ellis, et al.*, 314 U. S. 495, (1942);
Morton Salt Co. v. *G. S. Suppiger Co.*, 314 U. S. 488, (1942);
International Salt Co., Inc v. *United States*, 332 U. S. 392, (1947).

b. The decision of the Court of Appeals in failing to hold that both Claims 14 and 15 of the patent in suit are not enforceable because of unclean hands with respect to Claim 15 is in direct conflict with the decisions of this Court in

Keystone Driller Co. v. *General Excavator Co.*, 290 U. S. 240, (1933);
Precision Instrument Mfg. Co., et al. v. *Automotive Maintenance Machinery Co.*, 324 U. S. 806, (1945).

c. The decision of the Court of Appeals in reversing the District Court's decision of invalidity is in direct conflict with and, in fact, rejects the decision of this Court relating to the "flash of creative genius" test for invention in

Cuno Engineering Corp. v. *Automatic Devices Corp.*, 314 U. S. 84, (1941),

and also is in conflict with

Mandel Brothers, Inc. v. *Wallace*, 335 U. S. 291, (1948).

d. The Court of Appeals, in holding that the acts of Respondent, in prohibiting the purchase from competitors of an unpatented part, do not violate the Anti-Trust Laws, is in conflict with the judgments of this Court in

Mercoid Corporation v. *Mid-Continent Inv. Co., et al.*, 320 U. S. 661, (1944);

Mercoid Corporation v. *Minneapolis-Honeywell Regulator Co.*, 320 U. S. 680, (1944);
International Salt Co., Inc. v. *United States*, 332 U. S. 392, (1947).

e. The Court of Appeals for the Seventh Circuit, in holding infringement by Petitioner, which at best could have been only contributory infringement, did not follow this Court's decisions in

Mercoid Corporation v. *Mid-Continent Inv. Co., et al.*, 320 U. S. 661, (1944);
Mercoid Corporation v. *Minneapolis-Honeywell Regulator Co.*, 320 U. S. 680, (1944);
Carbice Corporation of America v. *American Patents Development Corporation, et al.*, 283 U. S. 27, (1931);
Leitch Mfg. Co., Inc. v. *Barber Co., Inc.*, 302 U. S. 458, (1938).

f. The Court of Appeals, in holding the claims in issue infringed, is in conflict with the decision of this Court in

Exhibit Supply Co. v. *Ace Patents Corporation*, 315 U. S. 126, (1942).

2. *Conflict with Decisions of Other Courts of Appeals.*

a. The decision of the Court of Appeals, in failing to hold that both Claims 14 and 15 of the patent in suit are not enforceable because of unclean hands and misuse with respect to Claim 15, forbidden by the Anti-Trust Laws, is in direct conflict with the decision of the Court of Appeals for the Fourth Circuit in

Sylvania Industrial Corporation v. *Visking Corporation*, 132 F. (2d) 947, (C. A. 4th, 1943).

b. The Court of Appeals for the Seventh Circuit, in not holding that Respondent's method of doing business

precludes the relief sought, is in conflict with the judgments of the Court of Appeals for the Second, Third and Seventh Circuits in the cases of

Philad Co. v. *Lechler Laboratories, Inc.*, 107 F. (2d) 747, (C. A. 2d, 1939);

Galion Metallic Vault Co. v. *Edward G. Budd Mfg. Co.*, 169 F. (2d) 72, (C. A. 3rd, 1948);

American Lecithin Co. v. *Warfield Co.*, 105 F. (2d) 207, (C. A. 7th, 1939).

c. The Court of Appeals, in holding the claims of the Falkenberg patent in suit valid and in rejecting the *Cuno* Doctrine, is in direct conflict with the judgment of the Court of Appeals in the Eighth Circuit in the case of

The Alemite Company v. *Jiffy Lubricator Company*, Decided August 17, 1949, Case Nos. 13,835 and 13,840 (Not yet reported).

3. *Important Federal Question Which Has Not Been Decided by This Court.*

This Court has never passed on the question of a patentee having one claim of a patent which is misused to extend the monopoly of the patent and the effect thereof on the enforcement of the remaining claims of the patent. This question involves more than the rights of the Petitioner and Respondent—it involves the public at large. The public at large is entitled to be free of illegal extension of patent monopoly with respect to patents having claims therein, some of which, under the decisions of this Court, are not enforceable and others of which, *if valid*, might be enforced if standing alone. Many existing patents are in that category.

Conclusion.

Questions raised by this Petition are important questions in the administration of the Patent Law, particularly with respect to misuse, contributory infringement and the proper tests for invention. It is respectfully submitted, therefore, that this Petition be granted and a writ of certiorari be issued to the Court of Appeals for the Seventh Circuit.

WILL FREEMAN,
Counsel for Petitioner.

W. M. VAN SCIVER,
Of Counsel.
Chicago, Illinois,
September 7, 1949.

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BERNARD EDWARD CO.,

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Respondent.

BRIEF IN SUPPORT OF PETITION FOR A WRIT OF CERTIORARI.

Opinions of the Courts Below.

The Memorandum, Findings of Fact, Conclusions of Law and Judgment of the District Court for the Northern District of Illinois, Eastern Division, appear in the Record at pages 107 and 109, inclusive, reported at 79 F. Supp. 417.

The opinion of the Court of Appeals for the Seventh Circuit was filed June 21, 1949 and appears in the Record at pages 153 to 160, inclusive. It is reported at 175 F. (2d) 427.

Specification of Errors.

The errors which the Petitioner will urge if the writ of certiorari is issued are that the Court of Appeals for the Seventh Circuit erred:

1. In holding that the Falkenberg patent No. 2,409,425 (R. 119 to 127) is not being misused and that there is no violation of the Anti-Trust Laws.

2. In not holding that the owner of a patent having a combination claim therein who does not make, use, sell or install the complete combination, but who makes and sells hangers for use in the combination and requires the purchase from it of hangers not covered by the combination claim, as a condition for obtaining freedom from a possible suit for infringement, is making improper use of the patent and is attempting to create a monopoly in an unpatented device.

3. In holding that the manufacture and sale of a hanger not covered by combination Claim 15, for use in completing the combination, contributes to the infringement of the patent.

4. In rejecting the decision of this Court in

Cuno Engineering Corp. v. *Automatic Devices Corp.*, 314 U.S. 84, (1941),

and thus holding the claims in issue valid.

5. In holding that the claims in issue are valid and patentable over the prior art.

6. In holding that the claims in issue are infringed by the manufacture and sale of hangers by the Petitioner.

Summary of Argument.

The Summary of Argument re-states the reasons relied upon for the allowance of the writ of certiorari (pp. 5 to 8, *supra*).

First Question.

Misuse and Unclean Hands.

In General.

Claims 14 and 15* of the Falkenberg Patent No. 2,409,425 (R. 119 to 127) were the only claims placed in issue by Respondent (R. 15). Claim 15 is a combination claim and includes matter other than the hanger—it includes "a support," which is the window frame (R. 61). Claim 14 is a claim on the mounting or hanger *per se*. Hence the charge in Respondent's complaint of infringement and *contributory infringement* (R. 3).

Respondent, Falkenberg, has granted an exclusive sales distributorship for brackets or hangers to the Kirsh Company (R. 43). As recognized by the court below in its decision (R. 159), neither Petitioner, Respondent, nor the Kirsh Company manufacture or sell window frames or

*14. A mounting forming one of a plurality of similar hangers for the decorative hanging of draperies, comprising a body having a succession of spaced slots intersecting the periphery thereof and forming passages for successively folded portions of the drapery material, the body being further formed with chambers which are continuations of the respective slots and provide for adjustable take-up of the drapery material, the body being formed with an extension serving to support the material exteriorly of the body proper.

*15. In drapery mountings, the combination with a support, of a pair of hangers secured to the support and inclined toward each other, the hangers being formed with chambers having spaced open-ended entrances for the sliding passage into the chambers of folded drapery material whereby there is provided by the chambers a flexible accommodation for material to facilitate selective decorative dependent draping of the material from the hangers.

anything which corresponds to the portion of the claim termed "a support." Neither Petitioner, Respondent or Kirsh Company incline the hangers at an angle or insert the drapery material, as called for by Claim 15.

The fact that the Respondent utilizes combination Claim 15 to control his business in hangers *per se* and has granted an exclusive sales distributorship to the Kirsh Company for the sale of such hangers (R. 43) amounts to an illegal extension of the patent monopoly and thus Respondent's conduct is measured by the Anti-Trust Laws (Title 15, U. S. C., Sections 1 and 14) and not the Patent Laws. Respondent's conduct, which is in violation of the Anti-Trust Laws, amounts to unclean hands rendering the patent unenforceable in its entirety. This is the holding in the cases by this Court of

Mercoid Corporation v. *Mid-Continent Inv. Co., et al.*, 320 U.S. 661, (1944),

Mercoid Corporation v. *Minneapolis-Honeywell Regulator Co.*, 320 U.S. 680, (1944).

It is contended by Petitioner that if one part of the patent is misused the entire patent is unenforceable, in view of the decisions of this Court in

Keystone Driller Co. v. *General Excavator Co.*, 290 U.S. 240, (1933),

Precision Instrument Mfg. Co., et al. v. *Automotive Maintenance Machinery Co.*, 324 U.S. 806, (1945),

and that the decision by the Court below is in direct conflict with those decisions.

The Court of Appeals for the Fourth Circuit applied this Court's ruling in a patent misuse case; namely, in

Sylvania Industrial Corporation v. *Visking Corporation*, 132 F. (2d) 947, (C.A. 4th, 1943).

and the decision of the Court below is in direct conflict with that decision.

Petitioner contends Claim 15 is misused and thus the Fourth Circuit has ruled one way in a patent misuse case and the Seventh Circuit has applied a different ruling, the ruling of the Seventh Circuit being also in conflict with a ruling of this Court.

In its decision, the Court of Appeals for the Seventh Circuit stated (R. 160):

> "* * * The defense of misuse is not sustained because no evidence was presented to prove plaintiff used his patent to secure a monopoly beyond the scope of his grant. * * *"

However, this Court, in the case of

> *International Salt Co., Inc.* v. *United States,* 332 U. S. 392, 396, (1947),

stated as follows:

> "* * * Not only is price-fixing unreasonable, *per se,* * * * but also it is unreasonable, *per se,* to foreclose competitors from any substantial market. * * *"

It follows that, when Respondent uses the patent to prevent Kirsh Company from buying the unpatented (insofar as Claim 15 is concerned) hangers from Petitioner or others, it is *per se* a violation of the Anti-Trust laws and no further proof is necessary for a Court to reach that conclusion. The Court of Appeals disregarded this situation.

The law with respect to misuse of a patent containing a combination claim is summed up by the following decisions of this Court:

> *Mercoid Corporation* v. *Minneapolis-Honeywell Regulator Co.,* 320 U.S. 680, (1944),
>
> *Mercoid Corporation* v. *Mid-Continent Inv. Co., et al.,* 320 U.S. 661, 668, (1944).

In the latter case, the Supreme Court stated:

> "* * * The rule of the Leeds & Catlin Case (No. 2) accordingly must no longer prevail against the defense that a *combination patent is being used to protect an unpatented part from competition.* That result obtains here though we assume for the purposes of this case that Mercoid was a contributory infringer and that respondents could have enjoined the infringement had they not misused the patent for the purpose of monopolizing unpatented material. Inasmuch as their misuse of the patent would have precluded them from enjoining a direct infringement (*Morton Salt Co.* v. *G. S. Suppiger Co., supra*), they cannot stand in any better position with respect to a contributory infringer. * * *" (Emphasis ours throughout.)

Again, in the case of

> *Mercoid Corporation* v. *Minneapolis-Honeywell Regulator Co.*, 320 U.S. 680, 684, (1944),

the Court stated:

> "* * * For as we pointed out in *Mercoid* v. *Mid-Continent Investment Co., supra, a patent on a combination is a patent on the assembled or functioning whole, not on the separate parts.* The legality of any attempt to bring unpatented goods within the protection of the patent is measured by the anti-trust laws not by the patent law. * * *"

The unpatented part insofar as Claim 15 is concerned is the bracket or hanger *per se.* The Court of Appeals apparently did not understand this to be the case, because in the opinion (R. 159-160), the Court stated:

> "It is difficult to follow defendant's reasoning. At one point it seems to refer to the window frame as the unpatented part, but later the bracket is specifically mentioned under that category. However, the bracket referred to in Claim 15 is a patented article. * * *"

It is urged that the Court of Appeals misunderstood because, insofar as Claim 15 is concerned, it is clear that the bracket is not a patented article.

This Court, in speaking of controlling the business or sale of unpatented parts, has referred to such parts as "unpatented" because they are outside of the monopoly granted by the combination claim or claims of the patent involved, even though that part is an element of the combination. This Court said in the case of

Mercoid Corporation v. *Minneapolis-Honeywell Regulator Co.*, 320 U.S. 680, 684, (1944),

"The fact that an unpatented part of a combination patent may distinguish the invention does not draw to it the privileges of a patent. That may be done only in the manner provided by law. However worthy it may be, however essential to the patent, an unpatented part of a combination patent is no more entitled to monopolistic protection than any other unpatented device. For as we pointed out in *Mercoid* v. *Mid-Continent Investment Co., supra,* a patent on a combination is a patent on the assembled or functioning whole, not on the separate parts. The legality of any attempt to bring unpatented goods within the protection of the patent is measured by the anti-trust laws not by the patent law. For the reasons stated in *Mercoid* v. *Mid-Continent Investment Co., supra,* the effort here made to control competition in this unpatented device plainly violates the anti-trust laws, even apart from the price-fixing provisions of the license agreements. It follows that petitioner is entitled to be relieved against the consequences of those acts. It likewise follows that respondent may not obtain from a court of equity any decree which directly or indirectly helps it to subvert the public policy which underlies the grant of its patent. *Morton Salt Co.* v. *G. S. Suppiger Co.*, 314 U. S. 488, 494, 62 S. Ct. 402, 406, 86 L. Ed. 363; *B. B. Chemical Co.* v. *Ellis*, 314 U. S. 495, 62 S. Ct. 406, 86 L. Ed. 367. * * *"

Whether or not the part is the subject of another patent monopoly makes no difference insofar as misuse is concerned.

The case of

Ethyl Gasoline Corporation v. *United States*, 309 U. S. 436, 459, (1940),

is to that effect.

In the case of

Philad Co. v. *Lechler Laboratories, Inc.*, 107 F. (2d) 747, (C. A. 2d, 1939),

it was specifically held that the "unpatented" part need not be a staple article.

Each Patent Claim Is a Separate Monopoly.

The Courts have held in many cases that each claim of a patent is a separate monopoly and that each claim must be separately considered as though it were in a separate patent in determining the questions of infringement and validity. The same should be true in determining the question of misuse. In the case of

Sanitary Dist. of Chicago v. *Activated Sludge, Inc., et al.*, 90 F. (2d) 727, 730, (C.A. 7th, 1937); cert. den. 302 U.S. 736,

the Court held:

> "Appellant with considerable emphasis challenges the correctness of our opinion in the first Milwaukee case. This contention is based on the ruling in *Altoona Theatres* v. *American Tri-Ergon Corporation*, 294 U.S. 477, 55 S. Ct. 455, 79 L. Ed. 1005, wherein *the well known rule is reiterated that each claim of a patent constitutes a separate grant of monopoly, and each must be considered by itself both with respect to validity and infringement.* This, appellant says, we did not do, but that on the contrary we treated all

the claims of all the patents, both process and apparatus, as constituting one method patent. We had no intention of doing so, and we think we did not, * * *."

One patent monopoly may not be exploited to enlarge a second patent monopoly. This Court held in the case of

Ethyl Gasoline Corporation, et al. v. *United States*, 309 U.S. 436, 459, (1940),

"* * * The licensing conditions are thus not used as a means of stimulating the commercial development and financial returns of the patented invention which is licensed, but for the commercial development of the business of the refiners *and the exploitation of a second patent monopoly not embraced in the first. The patent monopoly of one invention may no more be enlarged for the exploitation of a monopoly of another,* see *Standard Sanitary Mfg. Co.* v. *United States, supra, than for the exploitation of an unpatented article, United Shoe Machinery Co.* v. *United States, supra; Carbice Corporation* v. *American Patents Corporation, supra; Leitch Manufacturing Co.* v. *Barber Co., supra; American Lecithin Co.* v. *Warfield Co.*, 7 Cir., 105 F. 2d 207, *or for the exploitation or promotion of a business not embraced within the patent. Interstate Circuit, Inc.* v. *United States, supra*, 306 U. S. at pages 228-230, 59 S. Ct. at pages 475, 476; 83 L. Ed. 610. * * *"

The above cases are clear authority for the proposition; first, that each claim of the patent must be considered as a separate patent monopoly; and second, a patent monopoly of one invention may not be enlarged for the exploitation of a patent monopoly of another invention. Each is a separate patent monopoly or invention.

Respondent, FALKENBERG, (R. 43) testified that he manufactures the brackets and that Kirsh is the "exclusive distributor" (R. 43). Kirsh, the exclusive distributor,

has an exclusive right to sell the patented article. Such a right is the same as an exclusive license to sell and precludes Respondent from selling the bracket to others. The suit brought by Respondent against Petitioner is solely for the purpose of protecting Respondent and Kirsh's exclusive selling rights under a patent containing Claim 15 which, if it were not for Respondent's misuse, might make Petitioner a contributory infringer if, under the Mercoid Doctrine, there still is such a thing as contributory infringement. Since Claim 15 is misused, Claim 14 must receive the same fate in accordance with the equitable maxim of unclean hands.

The "Mercoid" Doctrine.

The decision of this Court in the case of

Mercoid Corporation v. *Minneapolis-Honeywell Regulator Co.*, 320 U. S. 680, 683, (1944),

may be paraphrased to fit exactly into the facts of Respondent's conduct herein with respect to Claim 15, as follows:

> "Neither the petitioner (*Bernard Edward*) nor the respondent (*Falkenberg*) sells or installs the Freeman (*Falkenberg*) system in furnaces (*on window frames*); that is to say, they do not practice the invention. They are competitors in supplying the switch (*bracket*) to control the fan and limit circuits (*to control the draping of material*) employed in such systems. That switch or combustion furnace control (*bracket*) is unpatented[1] and respondent concedes that it is 'less than the complete claimed invention' But, as we have said, the Circuit Court of Appeals took the view that the control (*bracket*) provides 'the sequence of opera-

1. There is some suggestion that this device is patented. But according to the District Court any such patent "is owned by some person other than Minneapolis-Honeywell and Mercoid, so that as to them and so far as this case is concerned, it is an unpatented device."

tions (*control of draping*) which is the precise essence of Freeman's advance in the art.' And the accused device (*bracket*) has, according to the Circuit Court of Appeals, 'no other use than for accomplishing the sequence of operations (*control of draping*) of the Freeman (*Falkenberg*) patent.' The Circuit Court of Appeals concluded that although the combustion furnace control (*bracket*) was unpatented, it served 'to distinguish the invention' and to mark the 'advance in the art' achieved by the Freeman (*Falkenberg*) patent. It accordingly held that the patent laws permit and the anti-trust laws do not forbid the control over the sale and use of the unpatented device (*bracket*) which Minneapolis-Honeywell (*Falkenberg*) sought to achieve through its licensing agreements (*Kirsh exclusive rights*). We do not agree, even though we assume the patent to be valid. * * *"

It is urged that the Court of Appeals in the present case fell into the same error as it did in the case above quoted. In the present case the Court of Appeals stated, (R. 159-160):

"* * * However, the bracket referred to in Claim 15 is a patented article. The bracket of course has to be attached to some kind of support; it cannot be used suspended in thin air. No evidence was offered to suggest that plaintiff sought to have his bracket used as a tie-up with any particular brand or type of window frame, or otherwise sought to enlarge the monopoly given to him. * * * "

Likewise, in the case of

Mercoid Corporation v. *Minneapolis-Honeywell Regulator Co.*, 320 U. S. 680, (1944),

the switch, of course, had to be placed in some kind of a furnace. It could not be used suspended in thin air. Likewise, no evidence was offered that Minneapolis-Honeywell sought to have its switches used as a tie-up with any particular brand or type of furnace.

In the decision below, the Court of Appeals further stated, (R. 160):

> "* * * In the *Mercoid case,* 320 U. S. 661, 680, the royalty payments were based only upon sales of the unpatented stoker switch, and the right to use the patented system was granted only when the stoker switches of licensee were purchased from it and used in the system. * * *"

Likewise, in the present case, the right to use the patented system or combination of Claim 15 is given to the purchaser and user only when Respondent's brackets (non-patented with respect to Claim 15) are purchased from Kirsh Company. In the present case, the purchasers of Kirsh brackets are given an implied license, but it makes no difference whether an implied or express license is given. Neither Kirsh Company nor Respondent could successfully maintain a suit against a user of brackets (the unpatented part of Claim 15) bought from Kirsh Company. However, Respondent could bring suit against any purchaser of the brackets of Petitioner or others, and such purchaser could not plead a license in defense, because of purchase from the patent owner's exclusive distributor. Thus Respondent extends the patent monopoly of Claim 15 over an unpatented part and compels users to buy such unpatented part from his exclusive distributor, Kirsh. Otherwise such user buys with the fear of being charged with infringement of Claim 15. Thus Respondent holds a powerful club over prospective purchasers, yet the patent owner and his distributor sell something less than the full Claim 15. Respondent precludes, by his Claim 15, free competition in the unpatented part of such claim.

This Court in the case of

Mercoid Corporation v. *Minneapolis-Honeywell Regulator Co.,* 320 U. S. 680, 684, (1944),

stated as follows:

> *"The fact that an unpatented part of a combination patent may distinguish the invention does not draw to it the privileges of a patent.* • • •"

Respondent recognized his need of the combination claim to protect his manufacture of the hanger or bracket by bringing suit on that claim and charging Petitioner to be a contributory infringer (R. 3). Attention is directed to the case of

> *Galion Metallic Vault Co.* v. *Edward G. Budd Mfg. Co.*, 169 F. (2d) 72, 75, (C. A. 3rd, 1948); cert. den. 69 S. Ct. 132.

The offering of licenses and the bringing of suit for contributory infringement by a patentee who only manufactures and sells (or has others sell for him, which makes no difference) an unpatented part of the combination claim, is misuse of that claim. The Court of Appeals for the Third Circuit stated:

> "Though our views on the validity issues dispose of this appeal we consider the question of appellant's misuse of the patents of sufficient importance to rule on it. *Pyrene Mfg. Co.* v. *Urquhart*, 3 Cir., 168 F. 2d 310. The District Court found that the claims to both patents were not limited to the truck body and therefore that appellant's practice in connection with the patents was misuse. *Appellant admits that it offers competing body manufacturers 'a license to use Plaintiff's patents in constructing their truck bodies.'* Those truck bodies are not patented. The assertion that the Palmer claim was confined to the truck body is not tenable. The claim itself carefully states that the patent is *a combination of a load carrying platform with a chassis frame in an automobile truck.* It is insisted that references to the truck and the chassis 'were mere orientation or background to define the use of the body on the truck.' That statement is hardly ac-

ceptable from either a reading of the claim or from the other proofs.

* * * * *

"It is obvious that the Biszantz patent is not limited to the truck body. This does not seem to be seriously questioned by appellant. The patent, it is remembered, consists of an adjustable tire support and is actually mounted on the truck chassis.

"Appellant's practice in connection with these patents is not excused, as is argued, by the decision in *Williams Mfg. Co.* v. *United Shoe Machinery Corporation,* 316 U. S. 364, 62 S. Ct. 1179, 86 L. Ed. 1537, which is not applicable to the circumstances before us. * * *"

It is noted that the patent owner merely offered competing body manufacturers a license to use its unpatented load carrying platform in combination with their truck bodies, thus making the complete combination of the patent claim. There is nothing in the decision to show that licenses were actually granted. Therefore, the Court of Appeals of the Third Circuit decided that the offering of licenses and the actual bringing of a suit on a combination claim was sufficient to establish misuse. In the present case, exclusive sales rights were granted and a suit was brought against Petitioner, who was in competition with Kirsh, on the unpatented part (hanger) of Claim 15.

Respondent's conduct clearly establishes misuse of Claim 15.

THE MAXIM OF "UNCLEAN HANDS."

The next question is whether or not Claim 14 of the patent, on the bracket *per se,* changes the situation with respect to the patent being non-enforceable. This Court in the case of

Keystone Driller Co. v. *General Excavator Co.,* 290 U. S. 240, (1933),

had a very similar situation before it. In that case, the unclean hands related to one out of five patents covering devices constituting parts of a ditching machine. One patent, the Clutter patent, was basic and four Downie patents were for improvements. The unclean hands was based on fraud in obtaining only the first Downie patent. There cannot be degrees of unclean hands. Fraud amounts to unclean hands and likewise misuse of a patent amounts to unclean hands. However, the unclean hands in both cases should result in a court of equity denying relief.

This Court did so and the Seventh Circuit did not.

In

Keystone Driller Co. v. *General Excavator Co.*, 290 U. S. 240, 244, (1933),

this Court held:

> "The meaning and proper application of the maxim are to be considered. As authoritatively expounded, the words and the reasons upon which it rests extend to the party seeking relief in equity. 'It is one of the fundamental principles upon which equity jurisprudence is founded, that before a complainant can have a standing in court he must first show that not only has he a good and meritorious cause of action, but he must come into court with clean hands. He must be frank and fair with the court, nothing about the case under consideration should be guarded, but everything that tends to a full and fair determination of the matters in controversy should be placed before the court.' Story's Equity Jurisprudence (14th Ed.) § 98. The governing principle is 'that whenever a party who, as actor, seeks to set the judicial machinery in motion and obtain some remedy, has violated conscience, or good faith, or other equitable principle, in his prior conduct, then the doors of the court will be shut against him *in limine;* the court will refuse to interfere on his behalf, to acknowledge his right, or to award him any remedy.' Pomeroy, Equity Jurisprudence (4th Ed.)

> § 397. This Court has declared: 'It is a principle in chancery, that he who asks relief must have acted in good faith. The equitable powers of this court can never be exerted in behalf of one who has acted fraudulently, or who by deceit or any unfair means has gained an advantage. To aid a party in such a case would make this court the abetter of iniquity.' *Bein* v. *Heath,* 6 How. 228, 247, 12 L. Ed. 416. And again: 'A court of equity acts only when and as conscience commands; and, if the conduct of the plaintiff be offensive to the dictates of natural justice, then, whatever may be the rights he possesses, and whatever use he may make of them in a court of law, he will be held remediless in a court of equity.' *Deweese* v. *Reinhard,* 165 U. S. 386, 390, 17 S. Ct. 340, 341, 41 L. Ed. 757. * * *"

The Court then went on to hold at page 247:

> "The relation between the device covered by the first Downie patent and those covered by the other patents, taken in connection with the use to which plaintiff put the Byers decree, is amply sufficient to bring these cases within the maxim. * * *"

This Court thereupon affirmed the decision of the Sixth Circuit Court of Appeals denying all relief.

The same doctrine was applied by the Court of Appeals for the Fourth Circuit in

> *Sylvania Industrial Corporation* v. *Visking Corporation,* 132 F. (2d) 947, 956, (C. A. 4th, 1943).

In that case the patent owner urged that its improper conduct (because of violation of the Anti-Trust Laws) was confined to the use of only one patent and that the other three patents in suit should not be tainted or held unenforceable because of the misuse of one. The Court rejected such theory and held:

> "* * * The case is within the ruling in *Keystone Driller Co.* v. *General Excavator Co.,* 290 U. S. 240, 54 S. Ct. 146, 78 L. Ed. 293, where five patents relating

to different parts of the same machine were in suit, as to one of which the patentee had corruptly suppressed evidence of an invalidating prior use, and had secured a prior decree of infringement. It was held that the relation of the patents to one another and the use made of the prior decree brought the case within the doctrine that he who comes into equity must come with clean hands; and therefore the cases on all of the patents were dismissed. We are in accord with the conclusion of the District Judge on this point expressed as follows in its memorandum opinion in the pending case: 'The plaintiff and defendant are competitors in the business of manufacturing and selling regenerated cellulose sausage casings. The suit involves four patents, two for the casings *per se* and two for a method of making the casings. The unlawful practices of the plaintiff with reference to the Freund patent have immediate and necessary relation to the equity which the plaintiff seeks in respect of the matter in litigation and such practices cannot be deemed unconnected with the causes of action based on the other three patents.' * * *"

In the case of

Precision Instrument Mfg. Co., et al. v. *Automotive Maintenance Machinery Co.*, 324 U. S. 806, 816, (1945),

this Court again held that inequitable conduct with respect to one of several patents and related contracts impregnated the entire cause of action so as to preclude relief, even where the conduct of the adversary was not entirely free from blame. This Court held:

"* * * The far-reaching social and economic consequences of a patent, therefore, give the public a paramount interest in seeing that patent monopolies spring from backgrounds free from * * * inequitable conduct and that such monopolies are kept within their legitimate scope. The facts of this case must accordingly be measured by both public and private standards of equity. * * *"

The question, therefore, which should be decided here is whether or not the maxim applies to claims in a single patent in the same manner it applies to claims in several different patents. It is respectfully urged that the same maxim should apply for the reasons given above and particularly in view of the well settled rule of patent law that each claim is a separate and distinct monoply, even though in the same patent.

In conclusion with respect to this point, the case of

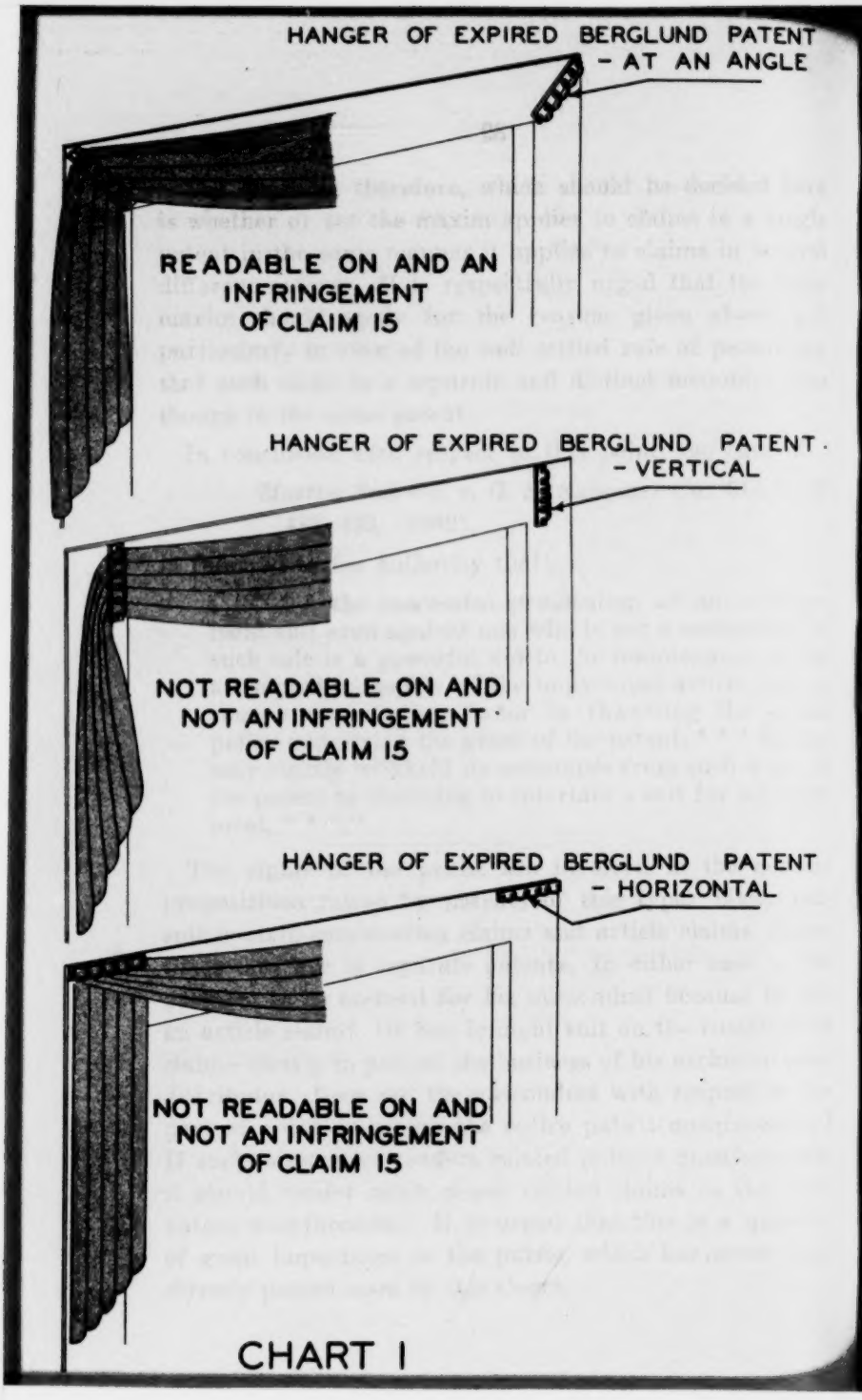
Morton Salt Co. v. *G. S. Suppiger Co.*, 314 U. S. 488, 493, (1942),

is referred to for authority that:

> "* * * the successful prosecution of an infringement suit even against one who is not a competitor in such sale is a powerful aid to the maintenance of the attempted monopoly of the unpatented article, and is thus a contributing factor in thwarting the public policy underlying the grant of the patent. * * * Equity may rightly withhold its assistance from such a use of the patent by declining to entertain a suit for infringement, * * *."

The rights of the public are involved in the general propositions raised by patents of this type. Many patents contain combination claims and article claims. Sometimes they are in separate patents. In either case, is the patentee to be excused for his misconduct because he has an article claim? He has brought suit on the combination claim—clearly to protect the business of his exclusive sales distributor. Does not the misconduct with respect to one part of a patent render the entire patent unenforceable? If such misconduct renders related patents unenforceable, it should render much closer related claims in the same patent unenforceable. It is urged that this is a question of great importance to the public, which has never been directly passed upon by this Court.

AT AN ANGLE
READABLE ON AND AN
INFRINGEMENT
VERTICAL
PATENT
HORIZONTAL
PATENT


HANGER OF EXPIRED BERGLUND PATENT - AT AN ANGLE
READABLE ON AND AN INFRINGEMENT OF CLAIM 15
HANGER OF EXPIRED BERGLUND PATENT - VERTICAL
NOT READABLE ON AND NOT AN INFRINGEMENT OF CLAIM 15
HANGER OF EXPIRED BERGLUND PATENT - HORIZONTAL
NOT READABLE ON AND NOT AN INFRINGEMENT OF CLAIM 15
CHART 1

Second Question.

Contributory Infringement.

The startling effect of the decision by the Court of Appeals in the present case is that Petitioner is precluded from taking two brackets of the expired Berglund Patent No. 1,746,577 (R. 133-136) and mounting them on a window frame, or telling others to mount them on a window frame, inclined toward each other. The framers of the Constitution and the Patent Laws never intended that the public would not be free to use an expired patent which *shows a bracket mounted horizontally on a window frame, and mount a pair of such brackets in an inclined position on a window frame.* (Claim 15 does not state where the inclined brackets are to be mounted on the window frame.) This, however, is the effect of the decision below. Note Chart I. The top figure shows the Berglund hanger at an angle—it reads on Claim 15 and thus would be an infringement thereof in accordance with the decision of the court below. The bottom two figures show the Berglund hanger hung vertically and horizontally and they do not read on Claim 15 and thus, no infringement.

In holding that Petitioner is an infringer of Claim 15, it is clear that Petitioner could be no more than a contributory infringer at best of that claim, since it manufactures and sells less than the full claim, that is only brackets *per se*.

Petitioner's brackets have closed entrances to enlarged chambers for retaining drapery material (Respondent's Exhibit 1, introduced R. 15). The expired Berglund patent likewise has closed entrances to enlarged chambers for the reception of drapery material (R. 133 to 136). In both the Petitioner's device (Respondent's Exhibit 1, introduced R. 15) and in Berglund (R. 135) the material of the bracket must be distorted to permit the drapery material to enter the chambers. In the Falkenberg patent, the chambers are open and, while the claims are very broadly worded, both are limited to open entrances (R. 127). The similarities between Berglund's hanger and Petitioner's and the differences are graphically illustrated in the Charts 2 and 3.

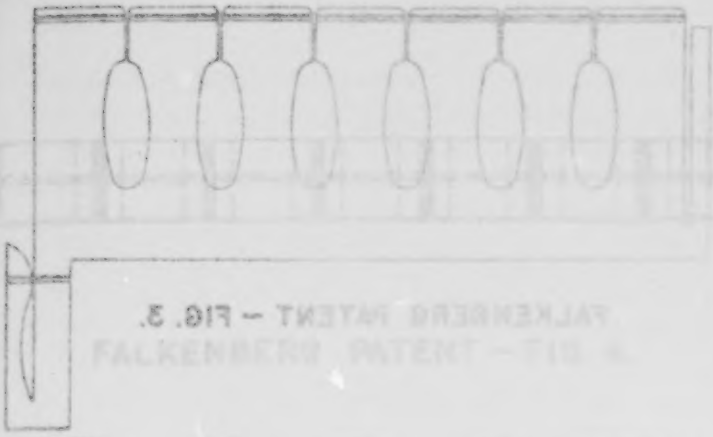
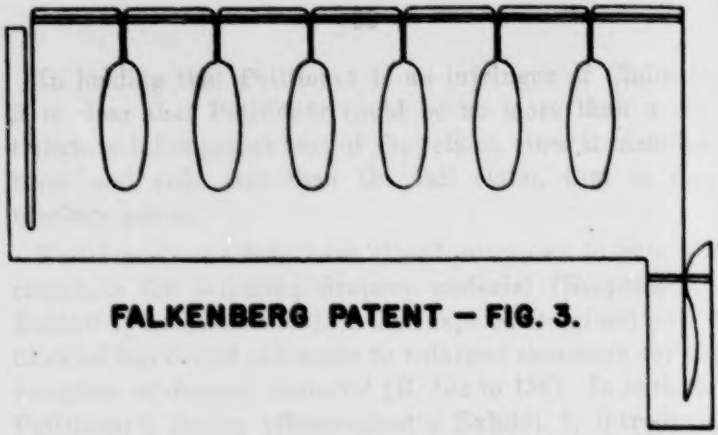


FIG. 3. – FALKENBERG PATENT

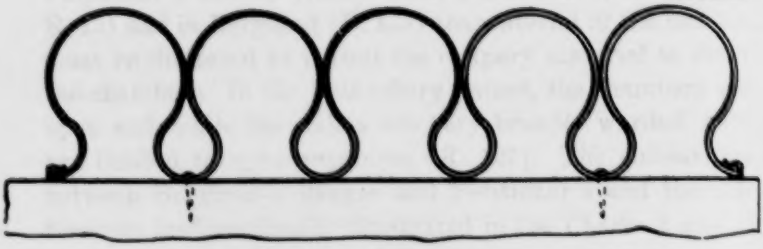
FIG. 2. – BERGLUND PATENT

DEFENDANT'S BRACKET

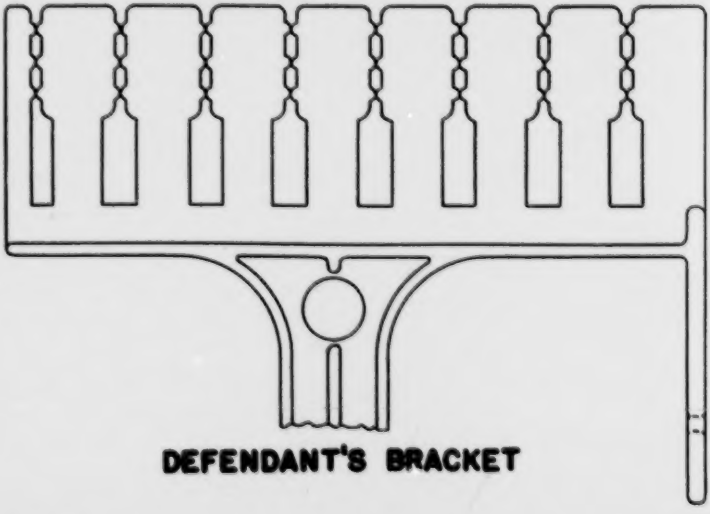
EXHIBIT 2



FALKENBERG PATENT — FIG. 3.



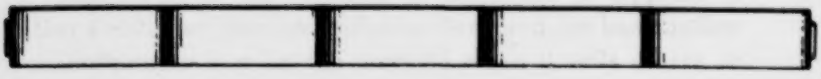
BERGLUND PATENT — FIG. 2.



DEFENDANT'S BRACKET

CHART 2

FALKENBERG PATENT – FIG. 4.



BERGLUND PATENT – FIG. 3.

DEFENDANT'S BRACKET

CHART 3

PALKENBERG PATENT – FIG. 4.

BERGLUND PATENT – FIG. 5.

DEFENDANT'S BRACKET

CHART 3

Claim 15 reads as follows:

> "15. *In drapery mountings, the combination with a support, of a pair of hangers secured to the support and inclined toward each other,* the hangers being formed with chambers having spaced open-ended entrances *for the sliding passage into the chambers of folded drapery material whereby there is provided by the chambers a flexible accommodation for material to facilitate selective decorative dependent draping of the material from the hangers.*"

The portions of Claim 15 which are not italicized is what is sold *by Petitioner and Kirsh Company.* The portions of Claim 15 which are italicized is what *the user* does in his home when he mounts the bracket on a window frame and hangs drapery material thereon.

The result of the decision of the Court of Appeals is that Petitioner, who has followed Berglund (as has another manufacturer now on the market) when it tells others to place the equivalent of the Berglund brackets *at an angle or to incline them* on the window frame, instead of placing them horizontally, as shown by Berglund, is a contributory infringer. Any of Petitioner's or Kirsh Company's users who place the brackets at an angle or inclined on the window frame become direct infringers. Petitioner's users have the threat of infringement hanging over them, but that does not apply to Respondent's distributor's users, because of the protection of Claim 15 of the patent. However, if the brackets are mounted *horizontally or vertically,* the claim does not apply. Petitioner merely sells hangers —the choice and manner of positioning the hanger on a window frame is left entirely to the desire and artistic taste of the user.

The unusual situation here brought about necessitates brief reference to the proceedings before the Patent Office with respect to the patent in suit.

Respondent, in order to read the claims on Petitioner's structure, endeavored to recapture something which he definitely disclaimed during the prosecution of his patent in the Patent Office. The Berglund patent (R. 133 to 136) was cited by the Examiner against claims requested by the Respondent (Petitioner's Exhibit 23). Respondent then distinguished his claims, and particularly by the terms "slots" and "chambers having open-ended entrances." Respondent cannot now assert that the term "slots," or "chambers having open-ended entrances," are not material and specific limitations. The file wrapper of Respondent's patent (Petitioner's Exhibit 23) includes amendments made by the patentee on May 31, 1945, December 8, 1945, and August 22, 1946, which clearly limit the claims to open slots.

Petitioner's structure differs from the Respondent's patent in exactly the same manner that Berglund differs from the Respondent's patent. Petitioner's structure (1) does not have slots or passages permitting free communication with the pockets; (2) it is necessary to warp and distort the bracket to permit passage of material into the pockets; and (3) because the bracket is warped for inserting the drapery material, the material is thereafter clasped therein.

The decision of this Court in

Exhibit Supply Co. v. *Ace Patents Corporation,* 315 U. S. 126, (1942),

supports our position that Respondent is now estopped from asserting for Claims 14 and 15 a scope sufficiently broad to embrace Petitioner's structure.

Respondent, FALKENBERG, is not the first to place a drapery bracket on a window frame (R. 26). Obviously, placing the Berglund brackets at an angle would not arise to the dignity of invention, even in the absence of any

prior art. That is a matter purely within the desire and artistic taste of the user of the bracket. These brackets are used either vertically or at an angle (R. 45). When used vertically or horizontally, Claim 15 does not apply. Again, neither Petitioner nor Respondent carry out the full statutory monopoly of Claim 15. Respondent however gets the full benefit of such statutory monopoly in the sale of the unpatented part of Claim 15 and does so because his users have no fear.

This clearly brings home the seriousness of the Court of Appeals' decision, because it forbids Petitioner from making hangers or brackets which may or may not bring about reading of Claim 15 on them, *depending entirely on what the user does with the hanger,* which is the unpatented part of Claim 15. The Court below was in error in not distinguishing between infringement and contributory infringement.

This case, therefore, is a glaring example of the danger brought about by contributory infringement. This question should be settled once and for all by the Supreme Court. Since the announcement of the "Mercoid" doctrine by this Court, the Patent Bar and the lower Federal Courts have been in great confusion as to whether there is any such thing as the Doctrine of Contributory Infringement and, if so, what is left of that doctrine. In the case of

> *Mercoid Corporation* v. *Mid-Continent Inv. Co., et al.,* 320 U. S. 661, 668, (1944),

Justice Douglas, in discussing the question of contributory infringement, stated that:

> "* * * The rule of the Leeds & Catlin case (No. 2) accordingly must no longer prevail against the defense that a combination patent is being used to protect an unpatented part from competition. * * *
>
> "The result of this decision, together with those

which have preceded it, is to limit substantially the doctrine of contributory infringement. What residuum may be left we need not stop to consider. * * *"

Justice Black, in his concurring opinion with Justice Douglas, at page 673, and in disagreeing with the dissenting opinion, stated as follows:

"If there is such a wrong as contributory infringement, it must have been created by the federal patent statutes. Since they make no direct mention of such a wrong, its existence could only be rested on inferences as to Congressional intent. In searching for Congressional intent we ordinarily look to such sources as statutory language and legislative history. The dissent in question mentions neither of these guides; in fact, it mentions no statute at all. * * *

"It has long been recognized that a socially undesirable practice may seek acceptance under the guise of conventional moral symbols. And repeated judicial assertion that a bad practice is hallowed by morals may, if unchallenged, help it to receive the acceptance which it seeks. With this in mind, I wish to make explicit my protest against talking about the judicial doctrine of 'contributory infringement' as though it were entitled to the same respect as a universally recognized moral truth."

Justice Jackson, in his opinion, at page 680, likewise said:

"* * * In these circumstances I think we should protect the patent owner in the enjoyment of just what he has been granted—an abstract right in an abstruse combination—worth whatever such a totality may be worth. I see no constitutional or statutory authority for giving it additional value by bringing into its monopoly all or any of the unpatentable parts.

"For these reasons I agree with the Court that no case of infringement could have been made out had the issue been raised when it was timely. * * *"

The fact that the lower courts throughout the United States are in confusion with respect to the subject is shown by the following tabulation, which is broken down into "dictum cases" and cases "on the point":

I. Dictum Cases

A. Cases indicating that doctrine of contributory infringement is not completely eliminated.

Chicago Pneumatic Tool Co., et al. v. *Hughes Tool Co.*, 61 F. Supp. 767 (D. C. Del., 1945);

Feinstein v. *I. T. S. Co.*, 68 F. Supp. 15 (D. C. N. D. Ohio, 1946);

Girdler Corporation v. *E. I. DuPont de Nemours & Co.*, 56 F. Supp. 871 (D. C. Del., 1944);

Johnston v. *Atlas Mineral Products Co. of Pennsylvania*, 140 F. (2d) 282 (C. A. 6th, 1944).

B. Cases indicating doctrine is completely abolished.

Special Equipment Co. v. *Coe*, 324 U. S. 370, (1945);

Landis Machinery Co. v. *Chaso Tool Co., Inc.*, 141 F. (2d) 800, (C. A. 6th, 1942), cert. den. 323 U. S. 720;

Lempco Products, Inc., et al. v. *Simmons*, 140 F. (2d) 58, (C. A. 6th, 1944);

Sunlite Mfg. Co. v. *Clarvan Corporation*, 73 F. Supp. 938, (D. C. E. D. Wisc., 1947).

II. Cases on the point

A. Cases in which the relief granted depended upon recognition of existence of the doctrine.

Conmar Products Corporation v. *Tibony*, 63 F. Supp. 372, (D. C. E. D. N. Y., 1945);

Detroit Lubricator Co. v. *Toussaint*, 57 F. Supp. 837, (D. C. N. D. Ill., 1944);

Florence-Mayo Nuway Co. v. *Hardy, et al.*, 168 F. (2d) 778, (C.A. 4th, 1948).

B. Cases holding that doctrine no longer exists.

Stroco Products, Inc. v. *Mullenbach, et al.*, 67 U. S. P. Q. 168, (D. C. S. D. Calif., 1944).

It is interesting to note that, in the case of

Sunlite Mfg. Co. v. *Clarvan Corporation*, 73 F. Supp. 938, 940, (D. C. E. D. Wisc., 1947),

Judge Duffy, then sitting as a District Judge, stated as follows:

> "In view of the decision of the Supreme Court in *Mercoid Corp.* v. *Mid-Continent Investment Co.*, 320 U. S. 661, 64 S. Ct., 268, 88 L. Ed. 376, it may well be doubted whether the doctrine of contributory infringement longer exists as an element in the patent law of this country. * * *"

However, Judge Duffy, when he wrote the decision of the Court of Appeals for the Seventh Circuit in the present case, disregarded the fact that Petitioner was at most a contributory infringer of Claim 15 of the Falkenberg patent, in order to hold Petitioner guilty of infringement of that claim.

Another indication of confusion with respect to the doctrine is found in the fact that a bill by Representative Celler (H. R. 3866, introduced May 29, 1949), has been introduced into Congress, which attempts to overcome the confusion and by statute to define contributory infringement and make a contributory infringer liable. This bill has been referred to the Committee on the Judiciary. As stated by Justice Black in the case of

Mercoid Corporation v. *Mid-Continent Inv. Co., et al.*, 320 U. S. 661, (1944),

there is nothing at present in the patent statutes or in the legislative history thereof which defines contributory infringement, or indicates that there is any such doctrine.

Petitioner is prevented from mounting a hanger of an

expired patent at an angle on the window frame, rather than horizontally thereon. To restrict Petitioner as the Court below did is to legalize and protect the Respondent and his distributor in the manufacture and sale of an unpatented part, insofar as Claim 15 is concerned, and what this Court has said is measured by the Anti-Trust Laws and not the Patent Laws.

Third Question.

The Court Below Rejected This Court's "Cuno" Decision.

The Trial Court held that Claims 14 and 15 of the Falkenberg patent did not meet the tests for invention set forth by this Court in

Cuno Engineering Corp. v. *Automatic Devices Corp.*, 314 U. S. 84, (1941).

The District Court, after quoting from this Court's decision above referred to, concluded:

"Therefore Claims 14 and 15 of Patent No. 2,409,425 are declared invalid for lack of invention * * *."

The Court of Appeals for the Seventh Circuit in reversing the Trial Court's holding of invalidity, said (R. 155):

"We hold that the trial court herein erred in construing the phrase, 'flash of genius,' as adding a test for invention of a higher degree or superior to that which would have produced patentable invention under the law as it existed prior to the date of the *Cuno decision*. As we have done heretofore (*Chicago Steel Foundry Co.* v. *Burnside Steel Foundry Co., supra*), *we reject* the flash of genius test. * * *"

The overruling of the Trial Court's decision of invalidity by the Court of Appeals was brought about by the Court of Appeals *rejecting this Court's decision in*

Cuno Engineering Corp. v. *Automatic Devices Corp.*, 314 U. S. 84, (1941).

Such decision is also in conflict with the holding of the Court of Appeals for the Eighth Circuit in

The Alemite Company v. *Jiffy Lubricator Company,* (C. A. 8th Decided August 17, 1949—not yet reported).

The Court there said:

"Implications favorable to the plaintiff which might, perhaps, be drawn from some of the statements of this Court in *Stewart-Warner Corporation* v. *Jiffy Lubricator Co., supra* (81 F. 2d 786), must be considered in the light of the more recent decisions of the Supreme Court raising the standards of originality necessary to sustain a patent. That such standards have been raised has been expressly recognized by the Circuit Court of Appeals of the Second Circuit in *Picard* v. *United Aircraft Corporation,* 128 F. 2d 632, 636, certiorari denied 317 U. S. 651, and by this Court in *Frank Adam Electric Co.* v. *Colt's Patent Fire Arms Mfg. Co.,* 8 Cir., 148 F. 2d 497, 502-503, and *Koochook Co., Inc.* v. *Barrett,* 8 Cir., 158 F. 2d 463, 466-467. What was said in those cases need not be repeated. The present attitude of the Supreme Court toward claimed patentable improvements may be gathered from *Cuno Engineering Corp.* v. *Automatic Devices Corp., supra* (314 U. S. 84), and the more recent cases of *Jungersen* v. *Ostby & Barton Co.,* 335 U. S. 560, and *Mandel Brothers, Inc.,* v. *Wallace,* 335 U. S. 291.

"Since it is our opinion that the evidence, viewed in the aspect most favorable to the plaintiff, does not sustain the conclusion that the Johnsons' contribution to the art of lubrication rose to the level of patentable invention, it is unnecessary to consider other questions. * * *"

This Court, also, as recently as February 28, 1949, in the case of

Graver Tank & Mfg. Co., Inc. et al. v. *Linde Air Products Co.,* 336 U. S. 271, (1949),

measured invention by the standards announced in

Cuno Engineering Corp. v. *Automatic Devices Corp.*, 314 U. S. 84, (1941).

In the same case this Court gave consideration to claims held invalid by the Trial Court, which decision was reversed by the Court of Appeals. This Court said:

> "The same deference is due to the findings of the trial court which overturn claims as to those which sustain them. * * *"

The Trial Court in this case heard all of the evidence and it was its conclusion, measured by the standards set forth by this Court, that the claims in issue were invalid for lack of invention. The Trial Court's findings should be given the deference to which they are due.

Conclusion.

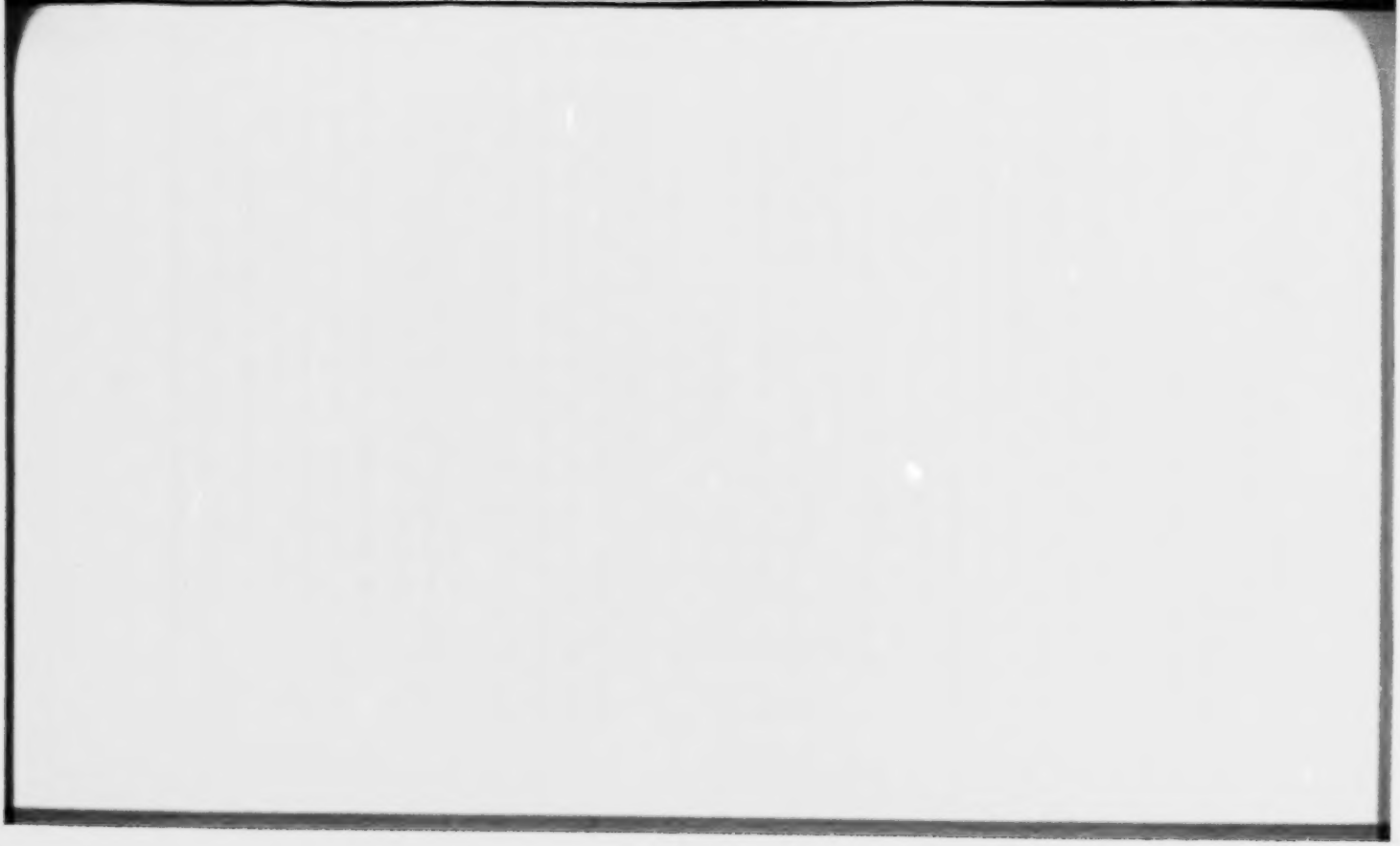
It is respectfully submitted that the petition for writ of certiorari to the United States Court of Appeals for the Seventh Circuit should be granted.

Respectfully submitted,

WILL FREEMAN,
Counsel for Petitioner.

W. M. VAN SCIVER,
Of Counsel.
Chicago, Illinois,

September 7, 1949.



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IN THE

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No. 331

BERNARD EDWARD CO.,

Petitioner,

vs.

DOUGLASS R. FALKENBERG,

Respondent.

REPLY BRIEF FOR PETITIONER.

WILL FREEMAN,
Counsel for Petitioner.

W. M. VAN SCIVER,
Of Counsel.

Chicago, Illinois,
October 20, 1949.

THE BUNTHORP-WARREN PRINTING COMPANY, 810 WEST JACKSON, CHICAGO

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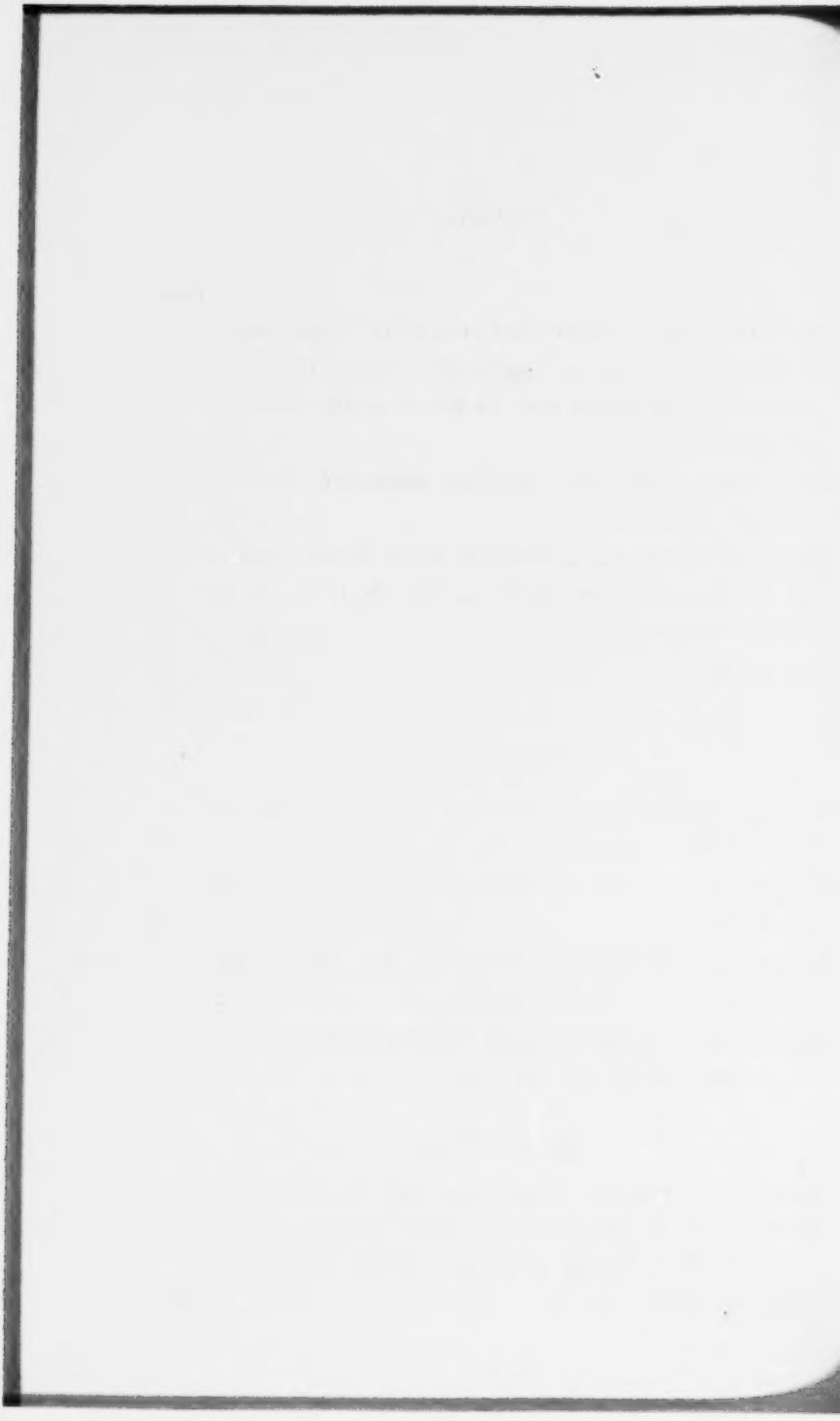

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Respondent.

REPLY BRIEF FOR PETITIONERS.

Petitioner's original brief anticipated many of the arguments presented in Respondent's brief. The following points are in answer to parts of Respondent's brief not fully taken up in Petitioner's original brief.

1. The drapery bracket of combination Claim 15 of Falkenberg Patent No. 2,409,425 is an "unpatented" part and the patent is misused by Respondent under the authorities cited in the Petitioner's original brief.

2. Even if the drapery bracket of Claim 15 is a new or patented part, that has no effect under the authorities as to misuse of the Falkenberg patent in suit, particularly in view of the fact that Kirsh Company is a licensee under the patent.

3. The claims of a patent are each for a separate monopoly and should be separately considered as to whether

the conduct of the Respondent with respect thereto is in violation of the Anti-Trust Laws.

4. Chart 1 in Petitioner's main brief, between pages 28 and 29 thereof, is proper and is illustrative of the result of the decision of the Court of Appeals for the Seventh Circuit, which gave the Falkenberg patent the status of a "pioneer" patent and now precludes manufacturers from selling, and the purchasing public from mounting, drapery brackets having supporting fingers, at an angle on a window frame, even though the brackets are the subject matter of an expired patent.

Point One.

Respondent and the Court of Appeals for the Seventh Circuit have both made a grave error in assuming, without any basis of fact, that the

> "bracket referred to in Claim 15 is a patented article" (Respondent's brief, page 3).

It is of utmost importance to fully understand that a different bracket is patented in Claim 14 than the bracket which is part of the combination in Claim 15.

Claims 14 and 15 are again reproduced herebelow for the convenience of the Court.

14.

> A mounting forming one of a plurality of similar hangers for the decorative hanging of draperies, comprising a body having a succession of spaced slots intersecting the periphery thereof and forming passages for successively folded portions of the drapery material, the body being further formed with chambers which are continuations of the respective slots and provide for adjustable take-up of the drapery material, the body being formed with an extension serving to support the material exteriorly of the body proper.

15.

In drapery mountings, the combination with a support, of a pair of hangers secured to the support and inclined toward each other, the hangers being formed with chambers having spaced open-ended entrances for the sliding passage into the chambers of folded drapery material whereby there is provided by the chambers a flexible accommodation for material to facilitate selective decorative dependent draping of the material from the hangers.

It will be noted that the bracket patented in Claim 14 includes

> "the body being formed with an extension serving to support the material exteriorly of the body proper."

The bracket which is claimed as part of Claim 15 does not include the extension.

Furthermore, Claim ~~15~~ 14 includes

> "a body having a succession of spaced slots intersecting the periphery thereof"

and also includes

> "chambers which are continuations of the respective slots."

None of these elements are found in Claim 15. Therefore, as far as this suit is concerned, in which only Claims 14 and 15 are in issue, *Falkenberg has no patent on the hangers which are claimed as part of the combination of Claim 15.*

As a matter of fact, there is no claim in the entire Falkenberg patent which corresponds identically with the hangers claimed as part of Claim 15. While that fact is perhaps not relevant to this controversy, it shows clearly that the hangers recited in Claim 15, in combination with a support, are "unpatented." As stated in the case of

Mercoid Corporation v. *Mid-Continent Inv. Co.*,
320 U. S. 661, 667,

> "Since none of the separate elements of the combination is claimed as the invention, none of them when dealt with separately is protected by the patent monopoly."

Respondent, in his brief, page 7, also quotes this part of the *Mercoid* case, and then states, to distinguish therefrom,

> "Respondent *has a claim* to one element of his combination Claim 15."

That statement by Respondent is in error.

Another point on which Respondent attempts to distinguish the *Mercoid* case is that the part upon which royalties were collected was an unpatented part. There is no such point of distinction in the *Mercoid* case and the present case. The part on which this suit was brought and upon which Respondent licenses the Kirsh Company, is an unpatented part, because no other claim, including Claim 14, covers the bracket if constructed in accordance with Claim 15. The Kirsh Company is admittedly a licensee of Respondent. Respondent's brief, page 6, states

> "* * * neither respondent nor his licensee has any dealings in, or exercises any control over, any type of support, * * *."

Therefore, as to Claim 15, Respondent is doing exactly the same acts with respect to the granting of a license on an unpatented part that Honeywell did in the *Mercoid* case, insofar as Claim 15 is concerned.

Respondent also states on page 3 of his brief, that if he had elected to rely on Claim 14 only, then the merits of Claim 15 would not be open for discussion. Obviously, Respondent never considered that Petitioner was guilty of anything more than contributory infringement of Claim 15 as shown by his Complaint (R. 3). The fact is, however, that Respondent did bring suit on combination Claim 15, has granted a license including combination Claim 15

and is using combination Claim 15 as a club over the public to control the business in an unpatented bracket. What in fact Respondent is now doing is relying on Claim 14 to cover his sins with respect to Claim 15.

The Court below and the Respondent also have distinguished the *Mercoid* doctrine from the case at issue by stating that there is no tie-in between Respondent or its licensee Kirsh with any particular type of window frame. In the *Mercoid* cases there was no tie-in between Honeywell or its licensee with any particular type of furnace in which the switches were installed. It is not necessary that there be any such tie-in to establish misuse. The acts of Respondent and Honeywell are identical for all practical purposes, except the Respondent's licensee gives the purchaser an implied license whereas Honeywell's licensees gave the purchaser an express license.

Respondent's conduct clearly shows that he is attempting to protect his and his licensee's business in an unpatented part. We reiterate that the language of Claim 14 would have to be identical with the language covering the bracket of Claim 15 for the bracket of Claim 15 to *be a patented part.*

Point Two.

When the owner of a combination claim in a patent attempts to control something outside of the scope of the monopoly of the combination claim, it makes no difference whether the article outside of the scope of the claim is new or old, is a staple or a special one, is patented or unpatented. When Courts use the word "unpatented" in discussing combination claims, *they mean that the part is unpatented insofar as that claim under consideration is concerned.* Again referring to the case of

Mercoid Corporation v. *Mid-Continent Inv. Co.*,
320 U. S. 661, 667, 668,

this Court stated:

> "Since none of the separate elements of the combination is claimed as the invention, none of them when dealt with separately is protected by the patent monopoly. * * * Whether the parts are *new or old* the combination is the invention and it is distinct from any of them." (Emphasis ours throughout.)

Likewise, the case of

> *Philad Co.* v. *Lechler Laboratories, Inc.*, 107 F. (2d) 747, 748, 749 (C. A. 2d, 1939),

is authority for the proposition that a *patented* article outside of the combination, even when the patents are owned by the same patent owner, is an *unpatented* part with respect to the combination, and does not excuse misuse. The case states as follows:

> "It is urged that the rule of the *Carbice* case covers only an effort of a patentee to control the use of staple materials, carbon dioxide in the *Carbice* case, bituminous emulsion in the *Leitch* case, and that the hair waving devices in the present cases are not staples. There is no support for any such limitation on the rule. In both the *Carbice* case and the *Leitch* case the emphasis was on the fact that the articles handled *by the alleged contributory infringers were not covered by the patent,* and on the further fact that the patentee by his method of doing business *was using his patent as if it did cover such articles.* Another asserted distinction is that the Philad Company has patents on the appliances as well as on the process and that the manufacturers are licensed under such patents. *The suits are not for infringement of any such patents, and for present purposes the appliances are to be taken as unpatented.* * * *"

Petitioner's contention is supported by an article of Adolph Charles Hugin, in Volume XXX, Number 8, August 1948, Journal of the Patent Office Society, entitled "Intellectual Property Protection and the Anti-Trust Laws." The article on pages 612, 613 states:

> "It is, however, a misuse at present to grant a license under a combination patent only on condition that such an unpatented element of the combination be purchased from the licensor.[140] This has been extended to hold that a grant of a license or lease of rights under a patent cannot legally be made dependent on the lease or purchase of other equipment or goods from the licensor or lessor, *whether the other equipment be patented or unpatented.*[141]

Kirsh's license under Claim 15 is dependent on Kirsh purchasing "other equipment or goods" (brackets) from Respondent and, as Hugin states, that is illegal, whether such goods are patented or unpatented.

There would be no doubt, in view of the authority by this Court in the case of

> *Keystone Driller Co.* v. *General Excavator Co.*, 290 U. S. 240,

that if the combination claims were in a separate patent from the article claims (as frequently occurs) the combination patent would be misused, because it is a *per se* violation of the Anti-Trust Laws, and the patent on the article would fall with the patent on the combination. The fact that the claims are in the same patent should, if anything, make the article claim less enforceable, particularly when the bracket which is recited in the combination is an unpatented part.

It is, therefore, clear that Courts when speaking of "unpatented" parts in combination claims, are many times referring to the part as unpatented with respect to the

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[140] *Mercoid Corp.* v. *Mid-Continent Investment Co.*, 320 U. S. 661, 64 Sup. Ct. 268 (1944); *Mercoid Corp.* v. *Minneapolis-Honey-Well Reg. Co.*, 320 U. S. 680, 64 Sup. Ct. 278 (1944); and *Landis Mach. Co.* v. *Chaso Tool Co.*, 141 F. (2d) 800 (C. C. A. 6th, 1944), cert. den. 323 U. S. 720, 65 Sup. Ct. 52 (1944).

[141] *United States* v. *United Shoe Machinery Co.*, 247 U. S. 32, 38 Sup. Ct. 473 (1918); and *United Shoe Machinery Co.* v. *United States*, 258 U. S. 451, 42 Sup. Ct. 363 (1922).

combination called for in the claim then being considered. Further, even if the part is the subject matter of another claim owned by the same patent owner, the combination claim is nevertheless being misused.

Point Three.

It is believed necessary to reiterate the fact that the authorities cited in Petitioner's original brief clearly hold that the claims of a patent are each for a separate monopoly and should be separately considered, not only with respect to validity and infringement, but also with respect to misuse. Respondent, in his brief on page 6, discusses the case of

Sanitary District of Chicago v. *Activated Sludge, Inc.*, 90 F. (2d) 727 (C. C. A. 7th, 1937).

Respondent takes the position that claims should be considered *separately* on questions of validity and infringement as all Courts have done, but Respondent wants them considered *together on the question of misuse.* It is urged that Respondent is in error, particularly when the bracket of the combination Claim 15 is unpatented, because it is not covered by the article Claim 14.

Point Four.

Little further discussion of this point is required, as the answer to any criticism of Chart 1 is contained in item 4 of this brief on page 2. Such a chart would have been rather meaningless, until the Court of Appeals for the Seventh Circuit gave the patent in suit the status of a pioneer invention. That Court held, in effect, that Falkenberg made a pioneer invention when he suggested placing a pair of drapery hangers at the top corners of a window frame inclined toward each other. Attention is

also directed to the fact that neither Claim 14 or 15 recite disposition of the hangers on a window frame at the top corners thereof.

Conclusion.

Petitioner submits that the arguments presented on behalf of the Respondent fall short of supporting the judgment of the Court of Appeals for the Seventh Circuit. The decision of the Court of Appeals for the Seventh Circuit should be reversed. Certiorari should be granted.

Respectfully submitted,

WILL FREEMAN,
Counsel for Petitioner.

W. M. VAN SCIVER,
Of Counsel.

Chicago, Illinois,
October 20, 1949.

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FILED
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In the Supreme Court of the United States

OCTOBER TERM—1949.

No. 331.

BERNARD EDWARD CO.,
Petitioner,

vs.

DOUGLASS R. FALKENBERG,
Respondent.

BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI.

ALBERT R. TEARE,
GEORGE W. SAYWELL,
Attorneys for Respondent.

BATES, TEARE & MCBEAN,
Cleveland, Ohio,
THIESS, OLSON & MECKLENBURGER,
Chicago, Illinois,
Of Counsel.

THE GATES LEGAL PUBLISHING CO., CLEVELAND, OHIO—MAIN 9547

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QUESTIONS PRESENTED.

The questions presented in the petition are:

I. Misuse of the patent in suit.

II. Contributory infringement.

III. The rule of law as to invention as defined in the "Cuno" case.

On the authority of *General Talking Picture Corp. v. Western Electric Co.*, 304 U. S. 175, only the questions presented in the petition will be considered by this Court on a petition for writ of certiorari.

ARGUMENT.

FIRST QUESTION.

Misuse of the Patent in Suit.

Petitioner in support of the first question cites:

Mercoid Corporation v. Mid-Continent Investment Co., et al., 320 U. S. 661;

Mercoid Corp. v. Minneapolis Honeywell Regulator Co., 320 U. S. 680;

Keystone Driller Co. v. General Excavator Co., 290 U. S. 240;

Precision Instrument Mfg. Co. et al. v. Automatic Maintenance Machinery Co., 324 U. S. 806,

and poses the query as to whether the Anti-Trust laws are violated *per se*.

In the case at bar, petitioner argues that Claim 15 of the patent in suit (R. pp. 24, 119), includes "a support," which is the window frame, in addition to the elements of a drapery hanger, but concedes that Claim 14 is a claim on the mounting or hanger *per se*. (Brief, p. 13.) Petitioner further argues that respondent, being in the business of manufacturing the hangers *per se*, is utilizing a combination claim to control his business in hangers *per se* and that such action amounts to an illegal extension of the patent monopoly and is measured by the Anti-Trust laws. (Brief, p. 14.)

The argument utilizing an alleged misuse of the patent in suit as a defense under the Anti-Trust laws originated in petitioner's brief before the District Court. That defense, however, was not pleaded, nor was any proof offered in support of it. No cross appeal was taken on that point, but nevertheless it was again argued in petitioner's brief before the Court of Appeals. The opinion of the District Court (R. p. 107) does not specifically refer to the defense of violation of the Anti-Trust laws, but the Appellate Court held (Rec., p. 160):

> "The defense of misuse is not sustained because no evidence was presented to prove plaintiff used his patent to secure a monopoly beyond the scope of his grant."

The Court of Appeals stated (R. p. 159) that it had difficulty in following petitioner's reasoning since at one place petitioner seemed to refer to the window frame as the unpatented part, but later specifically mentioned the bracket as the unpatented part. The Appellate Court

particularly called attention to the fact that the bracket referred to in Claim 15 is a patented article and that in use the bracket has to be attached to some kind of a support. The Appellate Court further asserted that no evidence was offered to suggest that respondent sought to have his bracket used as a tie-up with any particular brand or type of window frame, or otherwise sought to enlarge the monopoly given to him. The Appellate Court distinguished the circumstances of the case at bar specifically from the *Mercoid* and *Sylvania* cases upon which petitioner is now relying.

The case of *Keystone Driller Co. v. General Excavator Co.*, 290 U. S. 240, is one wherein the doctrine of unclean hands was held to preclude a patent owner from obtaining relief in a court of equity but in that case the patent owner was found to have suppressed evidence as to a prior public use.

In the case at bar, there is not a scintilla of evidence which would support an allegation of respondent coming into court with unclean hands.

The answer to petitioner's unsupported argument is that, if respondent had elected to rely only on Claim 14, then obviously the merits of Claim 15 would not be open for discussion. Respondent's action in relying upon claim 15 as well as Claim 14 was bottomed upon the fact, amply shown by the record, that petitioner has been practicing the combination of Claim 15 by the illustrations and instructions in its circulars, Pltf. Exhibit 3 (R. pp. 17, 97), packaged with its pair of hangers. That circular shows hangers mounted upon the upper corners of a window frame and additionally shows the drapery material positioned in the respective slots of the hangers so as to produce the valance festooning depicted on the cover page of the circular. The instructions in Exhibit 3 are ample, and it is respectfully urged that it is not beyond the bounds, within which judicial notice may be taken, to conclude that petitioner's salesmen followed the normal practice of mounting hangers upon sample boards or other supports and thread-

ing the drapery material therethrough and producing the festooned valance thereon, in display rooms of jobbers and retail stores in which petitioner's hangers were sold. Petitioner, therefore, in selling its hangers taught the practice of the entire combination of Claim 15 and may not escape the penalty of its infringement of Claim 14 by alleging that respondent's action respecting Claim 15 amounted to "unclean hands." Petitioner is attempting to achieve indirectly what it has been prevented from doing directly.

In the *Mercoid* cases, 320 U. S. 661, 680, the patent owner was obtaining royalties based only upon sales by a licensee of an *unpatented* stoker switch and granted the right to use a system which was patented only when such unpatented switches of the licensee were purchased from it and used in the system. In the case at bar, the hanger is a patented article, and respondent is not attempting by license to force anyone to purchase an unpatented part. Respondent is merely making, and selling through an exclusive distributor, a patented article. This is within the purview of the limited privilege which is inherent in the grant of a patent.

The existence of a valid claim covering respondent's hanger distinguishes the case at bar from all cases cited by petitioner in support of its allegation of misuse. Parenthetically, it is noted that in some of the cases cited by petitioner, particularly *International Salt Co., Inc. v. United States,* 332 U. S. 392, the element of price fixing was a material consideration, which situation is not an issue in this action.

The reasons assigned in the petition for the writ assert that the decision of the Court of Appeals is in conflict with applicable decisions of this Court and with decisions of other courts of appeal and then asserts (Brief, p. 8) that this Court has never passed upon the question "of a patentee having one claim of a patent which is misused to extend the monopoly of the patent and the effect thereof on the enforcement of the remaining claims of the patent."

This latter statement begs the question since it assumes misuse from the facts and circumstances of the case at bar. Furthermore, if this question has not been passed upon in any case by this Court, the holding of the Court of Appeals most certainly is not in conflict with any previous decision of this Court.

Under the heading "EACH PATENT CLAIM IS A SEPARATE MONOPOLY" petitioner (Brief, p. 19) cites *Ethyl Gasoline Corp. et al. v. United States*, 309 U. S. 436, 459, and in an excerpt therefrom quotes a statement to the effect that the patent monopoly of one invention may not be enlarged for the exploitation of the monopoly of another not embraced in the first.

Thus, at page 456, the Court in the *Ethyl* case stated:

> "He may not, by virtue of his patent, condition his license so as to tie to the use of the patented device or process the use of other devices, processes or materials which lie outside of the monopoly of the patent licensed * * * or condition the license so as to control conduct by the licensee not embraced in the patent monopoly * * * or upon the maintenance of resale prices by the purchaser of the patented article."
>
> * * * * *
>
> (457)
>
> "The picture here revealed is not that of a patentee exercising its rights to refuse to sell or to permit his licensee to sell the patented products to price-cutters. * * * A very different scene is depicted by the record. It is one in which appellant has established the marketing of the patented fuel in vast amounts on a nation-wide scale through the 11,000 jobbers and at the same time, by the leverage of its licensing contracts resting on the fulcrum of its patents, it has built up a combination capable of use, and actually used, as a means of controlling jobbers prices and suppressing competition among them."

It appears to respondent that the *Ethyl Gasoline* case might be authority only (in a hypothetical case) for restricting the right of respondent from selling his patented

drapery hangers on condition that they be used only on a certain type of window frame, also patented to respondent and not embraced by the hanger patent. The *Ethyl* case is not authority for the proposition that a licensee's sale of hangers, which are patented in themselves and are designed for use on a support that necessarily complements the hangers to produce the valance festooning, is misuse of the patent, when the further facts are that the combination of support and hangers is also patented as a drapery mounting for selective decorative draping, that neither respondent nor his licensee has any dealings in, or exercises any control over, any type of support, and that petitioner, an alleged infringer of the patented hanger, is sued both for direct and for contributory infringement. There is not a shadow of any evidence that respondent is endeavoring to control the sale of anything other than his patented hangers.

The case of *Sanitary District of Chicago v. Activated Sludge, Inc.*, 90 F. (2) 727 (C. A. 7th), is not helpful in determining the issue for that case merely reiterates the well established rule that each claim of a patent must be considered by itself, both with respect to validity and infringement. Both tribunals herein, however, have held that each of the claims in suit has been infringed, and also is valid, unless the *Cuno* case, as was interpreted by the trial Court, added an additional test of invention to the well known test of more ingenuity than the skill of the calling.

Petitioner is arguing the question of contributory infringement under a heading of so-called misuse of the patent and a course of action upon the part of respondent contrary to the Anti-Trust laws, and his reasoning is tantamount to an assertion that there is no residuum left to the doctrine of contributory infringement. Respondent's position regarding the present status of the contributory infringement doctrine will be hereinafter presented under the question of "Contributory Infringement."

The *Mercoid* decision broadened the previous doctrine to include *un*patented devices which were a part of the patented whole. Now, petitioner would further broaden the doctrine to include *patented* articles which are a part of the patented whole, for, as stated by the Court of Appeals (Rec., pp. 159-160): "the bracket referred to in Claim 15 is a patented article."

Petitioner has attempted to apply the Mercoid facts to the case at bar (Brief, p. 20) by inserting allegedly comparable parts of respondent's structure to those in the *Mercoid* case. In doing so, petitioner is comparing patented parts of respondent's structure with unpatented parts of the patent involved in the *Mercoid* case. The facts are that in the *Mercoid* case there was a tie-up in the method of licensing the unpatented switch, to make up a patented system used in the operation of a furnace.

Petitioner now seeks to substitute for the unpatented switch of the *Mercoid* case a patented hanger of the case at bar and reach the same conclusion of misuse. The fallacy, therefore, of petitioner's entire argument is that in the *Mercoid* case the Court was dealing with an unpatented part as a controlling element, whereas, in the case at bar, the alleged corresponding element is patented and the claim thereon is valid *per se*. Nothing is stated in the *Mercoid* case to the effect that the entire consideration of the matter of misuse is based on only one claim of a patent, or only one element of a claim, since the *Mercoid* case states: "since none of the separate elements of the combination is claimed as the invention, none of them when dealt with separately is protected by the patent monopoly."

Respondent *has a claim* to one element of his combination Claim 15.

The facts of the case at bar bring it within the doctrine of proper conduct under a patent, as set forth in *Florence Mayo Nu-Way Co. v. Hardy, et al.* (1948), 4th Cir., 168 F. (2) 778, 784-785, rather than within the doctrine of misconduct set forth in the *Mercoid* cases. In the *Florence*

Mayo case the claim at issue was a combination claim and the defendants were alleged to be guilty of contributory infringement in the manufacture and sale of tobacco curing equipment embodying the substance of the patented invention, and sold for use in tobacco curing barns in such way as to complete a combination constituting a direct infringement. *Mercoid v. Mid-Continent* case was cited in defense, but the court in distinguishing therefrom said (p. 785):

> "There is nothing to the contrary in the decision in Mercoid Corporation v. Mid-Continent Investment Co., 320 U. S. 661, 64 S. Ct. 268, 88 L. Ed. 376. That case merely applies the salutary rule that a combination patent may not be used to protect an unpatented part from competition. Nothing of that sort is involved here. What the defendants are doing is manufacturing and selling machinery with the knowledge, purpose and intent that it shall be used in a combination which will infringe. The case is one where plaintiff is using his patent not to monopolize the sale of what is not patented but to prevent defendants from aiding others to infringe what is patented. A clearer case of contributory infringement could not well be imagined than that presented by this record."

In *Graver Tank & Mfg. Co., Inc. v. Linde Air Products Co.*, 336 U. S. 271, this Court (p. 279) said:

> "Contentions are made that the patent has been abused through efforts to broaden the patent monopoly by requiring the purchase of unpatented material for use in connection with it. The trial court found, however, that the plaintiff does not impose on the licensee either as a condition of a license or otherwise any requirement, condition, agreement or understanding as to the purchase or use of unpatentable commodities and that its licensees are free to buy and use any material and equipment from any source. The court recognized that an appearance of such freedom is not conclusive if it conceals a subterfuge and that there is a real though informal restraint, but examining the conduct of the plaintiff it found no such obstacle to the main-

tenance of an action for infringement on that part of the patent which was valid. The court of appeals affirmed and we accept the conclusion of the two courts below on this branch of the case."

Petitioner's grounds for asserting misuse of respondent's patent seems to be that respondent is controlling a business limited to devices upon which he (respondent) owns a patent. It is an attack on respondent's proper execution of his legitimate business. What more warranted course of action than that could there be?

Misuse of a patent is an effort to obtain more benefit from a patent than the claimed invention warrants, namely, to step *outside the monopoly as granted by the patent*, and such misuse is shown by a course of action designed to gather such additional benefits. Not even a beginning of or any contemplation of such course of action is shown by the record in the present proceeding.

Respondent uses his patent as a monopoly *within* the grant, not for monopoly outside the grant.

SECOND QUESTION.

Contributory Infringement.

Under the heading of "Contributory Infringement" petitioner seeks to reopen the question of proofs of infringement after both lower tribunals have held that petitioner's device constitutes an infringement of both claims in suit.

The finding of infringement is a question of fact and this Court has recently affirmed its position that it will not undertake to review concurrent findings of fact in the absence of a very obvious and exceptional showing of error. *Graver Tank & Mfg. Co., Inc., et al. vs. Linde Air Products Co.*, 336 U. S. 271.

As to both claims in suit, the Appellate Court in finding infringement adopted the language of the District Court as follows (Rec. p. 158):

"It is clear from the evidence adduced that the defendant set out to, and actually did, copy the plaintiff's device. The only basic distinction between the two articles produced by the parties is that, whereas the plaintiff used the above-mentioned pin for the purpose of securing the material in the hanger, the defendant added beads or humps within the slots which acted as clamps. Such an addition, however, tends to accentuate, rather than differentiate, the copying."

The Appellate Court treated the foregoing language of the District Court as a finding of infringement. Moreover, the District Court requested that the record show an entry of actual inspection of Plaintiff's Exhibits 20 and 21. (R. pp. 37, 38, 45.)

Petitioner asserts (Brief, page 3) that the District Court made no finding of fact or conclusion of law with respect to infringement and that such action was contrary to Rule 52(a) of the Rules of Civil Procedure. Respondent disputes that assertion, because copying is infringement. Rule 52(a) permits Findings of Fact and Conclusions of Law to be included as part of the opinion or memorandum of decision, and such is the case in the document filed by the District Judge. It is entitled "Memorandum, Findings of Fact, Conclusions of Law, and Judgment."

Respondent denies right of petitioner to incorporate Chart 1 in its brief. (Opposite p. 29.) That chart is not in evidence nor is it a copy of what appears in the Berglund patent. It constitutes an imaginary and fanciful arrangement of what petitioner asserts is a disclosure of the Berglund patent. For convenience, the drawing of the Berglund patent (R. pp. 83, 134) is reproduced herein on the opposite page from which it will be observed that nothing whatsoever is shown with respect to the formation of a valance at the *top* of the window frame. Berglund appears in the record, pages 134 to 136 inclusive, wherein the bracket shown therein is mounted at the *bottom* of the window frame. As stated by the Court of Appeals (R. p. 158):

Feb. 11, 1930. J. A. BERGLUND ET AL 1,746,577

WINDOW SILL FIXTURE

Filed April 9, 1929

Fig. 1.

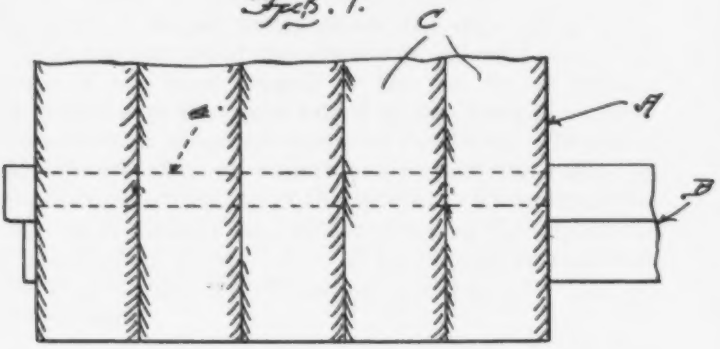


Fig. 2.

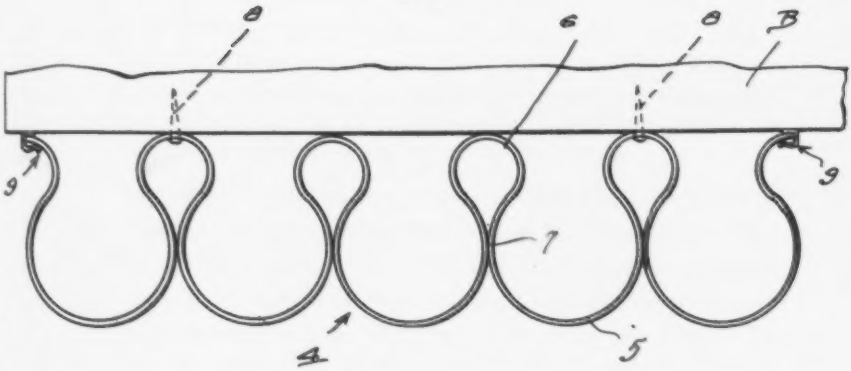
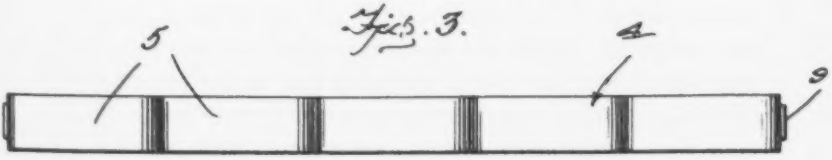


Fig. 3.



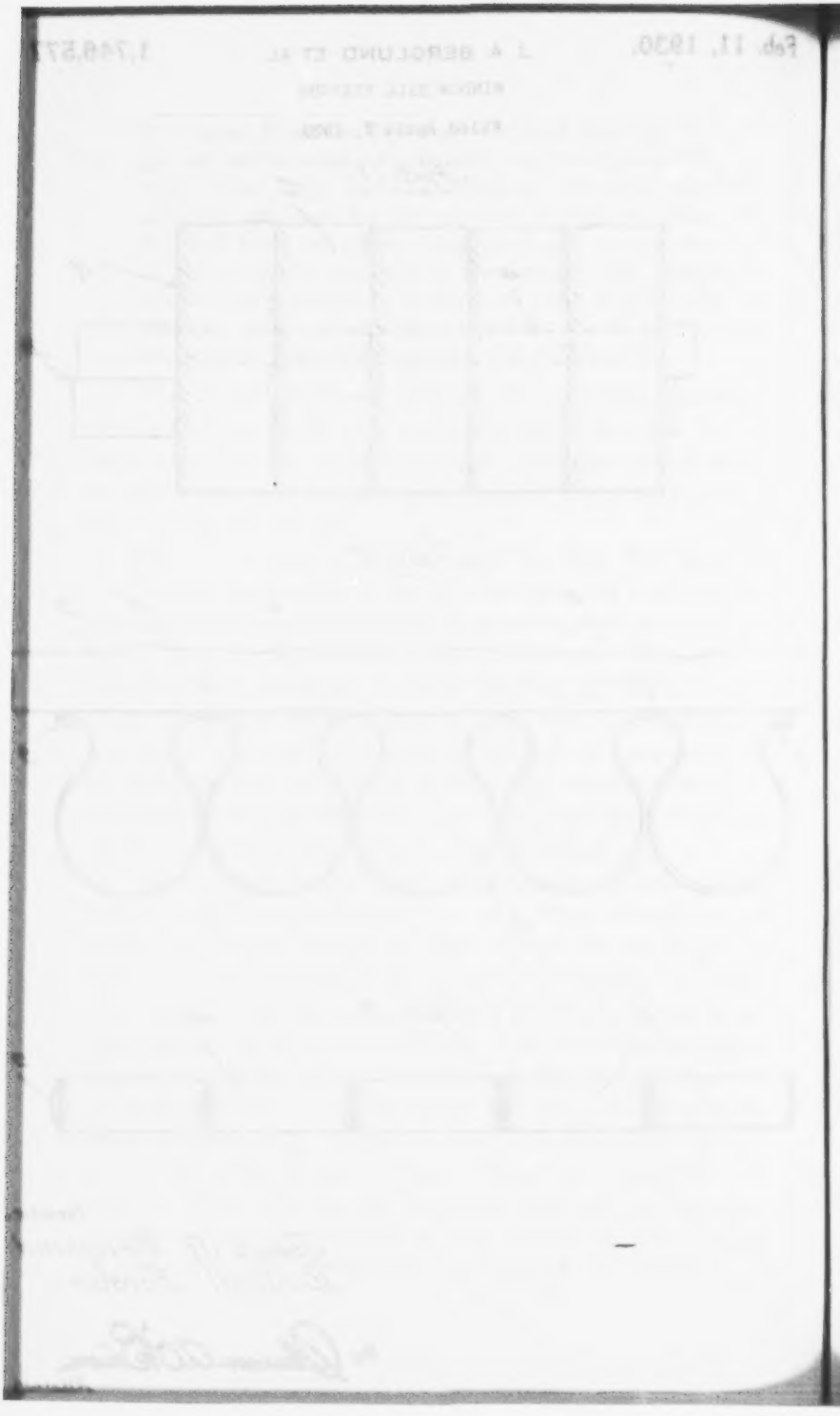
Inventors

Jonas A. Berglund

Russell Forson

By Thomas A. O'Brien

Attorney



"The purpose of the device (Berglund) was to keep in place ruffling at the lower or sill level of the window. Berglund's device firmly holds the depending material at the bottom of the window in rounded formation after it has been draped at the top by an expert. Berglund says that most ruffled drapes hang in a rather disorderly or somewhat rumpled condition. He enters the picture after an expert has formed the ruffles by his draping at the top of the window. By contrast the devices of plaintiff and of defendant at the top of the window effect graceful falls of the depending material. We do not think that Berglund anticipates." (Parentheses ours.)

Berglund contemplated that the upper end of the drapery material would be hung upon an *ordinary* curtain rod, for in the specification, page 1 (Rec. p. 135), lines 7 to 11, he states:

"It is a matter of common practice in hanging window drapes and curtains to gather the upper rod suspended end in such a way as to cause the depending portion to assume a sinuously folded or ruffled state."

So far as concerns the record in this case, respondent has created a *new* valance festooning for this "sinuously folded or ruffled state," of which the bracket is an element. The only prior art in the record approaching the respondent's festooning is that illustrated at page 98, Plaintiff's Exhibit 10, offered R. p. 29, wherein the drapery material is hung loosely from the window frame behind rings. In Exhibit 13 (Rec. pp. 31, 101), an alternative arrangement shows the material drawn through the rings. Respondent's drapery mounting has achieved a new valance festooning which is not only different in appearance from Exhibits 10 and 13, but which possesses marked advantages over such mountings. Some of these advantages are set forth in detail in the opinion of the Appellate Court. (R. pp. 156, 157.)

Petitioner by virtue of its manufacture and sale of hangers and the showing in its circular, Plaintiff's Exhibit

No. 3 (R. pp. 17, 97), has infringed Claims 14 and 15 and, hence, petitioner is not justified in requesting this Court to give an advisory opinion as to petitioner's right to hang what purports to be a Berglund bracket in the manner taught by the patent in suit, nor to request a review of concurrent findings of infringement.

A particular reason for objecting additionally to petitioner's representation in Chart 1 is the fact that petitioner adduced no testimony concerning the operation of the Berglund bracket in the trial court. In the Court of Appeals petitioner produced a bracket which purportedly was made in accordance with the disclosure in the Berglund patent, but respondent entered an objection to petitioner's right to that procedure, in view of the fact that respondent was thereby denied the right of showing by expert testimony the impracticability of using the purported Berglund bracket in any place other than at the bottom of a window frame. There is no evidence whatsoever in the record to show that the Berglund bracket was suitable for use, even with modification, at the top of a window frame. One conclusion quite apparent from the sketches of petitioner's Chart 1 is that Berglund's hanger would not be suitable, since it exposes too much of the window frame to produce selective ornamental valance festooning. We assume, therefore, that this Court will not go outside the record to consider the applicability of the disclosure in the Berglund patent to the question at issue.

As stated aforesaid, it is respondent's position that Claim 15 of the patent in suit has been directly infringed by petitioner. Should this Court, however, assume that the facts and circumstances of the case at bar impel a consideration of the question of contributory infringement—notwithstanding the fact that Claim 14 is valid and infringed directly—then we respectfully direct attention to a statement by this Court in the *Mercoid* case (320 U. S. 669) as follows:

> "It is sufficient to say that in whatever posture the issue (contributory infringement) may be tendered courts of equity will withhold relief where the patentee and those claiming under him are using the patent privilege contrary to the public interest." (Parentheses ours.)

There is nothing in the record of the case at bar indicating that respondent is using his patent privilege contrary to the public interest. The circumstances are quite different from those in *Morton Salt Co. v. G. S. Suppiger Co.*, 314 U. S. 492, cited by this Court in the *Mercoid* case, for in the *Morton Salt* case, the owner of the patent was attempting to use the patent to control the sale of unpatented salt tablets.

The theory of denying relief to patent owners has been predicated upon the conclusion that a patentee has been enlarging the monopoly granted to him. But that conclusion cannot be drawn in the case at bar when the so-called unpatented bracket is in fact patented by a claim in the identical patent against which the assertion of monopoly enlargement is made.

It is false for petitioner to assert that the Appellate Court disregarded the fact that "petitioner was at most a contributory infringer of Claim 15 of the Falkenberg patent, in order to hold petitioner guilty of infringement of that claim." (Brief, p. 36.) In its brief before the Appellate Court petitioner argued the question of contributory infringement at great length. Hence, petitioner is not justified in stating that the court disregarded the question of contributory infringement. The specific absence of the word "contributory" in the decision by the Court of Appeals confirms respondent's position that defendant has by its action been a direct infringer of Claim 15.

Petitioner is Guilty of Contributory Infringement If That Is the Only Way in Which Infringement Can Be Found of Claim 15.

Petitioner's entire argument seems to be based upon the assumption that the hanger of Claim 15 is an unpatented part. That assertion, however, is directly in the teeth of the decision of the Court of Appeals which states:

"However, the bracket referred to in Claim 15 is a patented article."

Moreover, the *Mercoid* case (320 U. S. 680, 684) and particularly the excerpt appearing therefrom in petitioner's brief, page 23, was not referring to a situation where the infringer's device was covered by another claim of the patent in suit. Indeed, such point is conceded, for in its brief, page 13, petitioner states:

"Claim 14 is a claim on the mounting or hanger *per se.*"

Petitioner's assertion, in its brief at page 31, that the portions of Claim 15 which are not italicized constitute "what is sold by petitioner" is incomplete, for the italicized parts include "a pair of hangers." Respondent asserts additionally that the remaining italicized portions have a bearing on the question of infringement, for petitioner's knowledge, intent, and manner of sale, are clearly shown by the illustrations in its circular, Plaintiff's Exhibit 3 (R. pp. 17, 97).

At page 32, petitioner attempts to reopen a consideration of the file history of the patent in suit, but respondent need only point out that what appears in the file history constitutes a question of fact, and that both lower tribunals have ruled against petitioner's argument on file wrapper limitations.

At page 35, petitioner asserts that there is confusion amongst the courts regarding contributory infringement, and cites *Special Equipment v. Coe,* 324 U. S. 370, as indicating that the doctrine of contributory infringement has been completely abolished. As respondent reads the case,

however, no mention whatsoever of contributory infringement is found. The case reached this Court on a writ of certiorari granted to the Court of Appeals for the District of Columbia, which affirmed the decision of the District Court, in an action under R. S. 4915, denying petitioner's request that the Commissioner of Patents be directed to issue claims to a sub-combination, in an application renewing a forfeited application wherein claims had been allowed to a general combination, as embodied in a complete machine, of which the sub-combination constituted a part. The question was whether the Court of Appeals correctly rested its decision upon the ground that petitioner did not intend to make or use the invention. This Court, in reversing the Court of Appeals, said (p. 376):

> "Hence, denial of a patent on the sub-combination would deprive the inventor of the benefit of the exclusive right to use the sub-combination in the ways specified by the patent laws. It would also leave the public free to use, and thus to appropriate a part, however important, of the inventor's complete machine, even though patented."

In holding that the patentee was entitled to sub-combination claims, this Court approved a course of action similar to that of respondent in the case at bar, viz., obtaining claims on the sub-combination—the bracket—as well as claims to the general combination.

It is significant that the *Special Equipment* case was decided in 1945, at which time the reasoning and conclusions in the *Mercoid* cases, which were decided in 1944, were matters of then recent consideration by the Court.

Portions of two of the cases cited by petitioner as showing confusion with respect to the subject of contributory infringement are quoted as follows.

In *Sunlite Mfg. Co. v. Clarvan Corporation*, 73 F. Supp. 938, 940, cited by petitioner as indicating that the doctrine of contributory infringement is completely abolished, Judge Duffy spoke as follows:

"In view of the decision of the Supreme Court in Mercoid Corp. v. Mid-Continent Investment Co., 320 U. S. 661 (60 USPQ 21), it may well be doubted whether the doctrine of contributory infringement longer exists as an element in the patent law of this country. I am, of course, aware that some courts have attempted to limit the application of the decision in the Mercoid case to situations where patentees have extended their monopolies beyond the scope of their patents. Detroit Lubricator Co. v. Toussaint, 57 F. Supp. 837 (63 USPQ 139); Girdler Corp. v. E. I. du Pont de Nemours & Co., 56 F. Supp. 871 (62 USPQ 450); Chicago Pneumatic Tool Co. v. Hughes Tool Co., 61 F. Supp. 767 (66 USPQ 425); Hall v. Montgomery Ward & Co., 57 F. Supp. 430 (63 USPQ 114).

However, in delivering the opinion of the majority in the Mercoid case, Justice Douglas said (page 669 of 320 U. S. (60 USPQ at 25-26): 'The result of this decision, together with those which have preceded it, is to limit substantially the doctrine of contributory infringement. What residuum may be left we need not stop to consider. * * *' The language indicates that at least in the mind of the writer of the opinion, there was doubt whether any residuum existed. In Stokes & Smith Co. v. Transparent-Wrap Mach. Corp., 156 F. 2d 198, 201 (64 USPQ 278, 280 at 281), the court said in referring to the Mercoid case: '* * * Indeed, it appears from the discussion in the opinions (citing cases) that the doctrine of contributory infringement is itself not wholly free from doubt.'

However, I do not base my decision herein on whether or not contributory infringement still continues its struggle for existence. I have concluded that the claims of the patent in suit do not read upon the accused device, * * *."

In *Stroco Products, Inc. v. Mullenbach et al.*, 67 USPQ 168 (D.C.S.D. Calif. 1944), the following is noted (p. 169):

"The issue raised by the pleadings herein are by the said stipulations, interrogatories, and interrogatory answers confined to the determination of whether or not making and selling by defendants of their said con-

trol units *not covered per se by any claim in the patent in suit* constitutes contributory infringement of the claims of the patent in suit." (Italics ours.)

A detailed analysis of each case cited by the petitioner at pages 35 and 36 reveals that in no instance did the patents in suit include a claim on an element *per se*, and a combination claim including the patented element.

THIRD QUESTION.

"The Cuno Decision."

Petitioner's brief at page 37 states:

"THE COURT BELOW REJECTED THIS COURT'S 'CUNO' DECISION."

It is respondent's position that the Court of Appeals did not reject the *Cuno* decision (314 U. S. 84). It merely rejected the interpretation made by the District Court of the declaration of the law given by this Court in the *Cuno* case. The District Court thought the *Cuno* decision added to the test of invention something more than ingenuity greater than that of a worker skilled in his line of work. The District Court applied the *Cuno* case as if this Court declared that a "flash of creative genius" must be revealed in *addition* to ingenuity greater than that of a worker skilled in his line of work.

It is respondent's further position, and it has been substantiated by the Court of Appeals of the First Circuit, as well as upheld by the Seventh Circuit in the instant proceeding, that "the flash of creative genius" phrase is but another expression for that skill which is more than merely the skill of the calling. Thus, the so-called "flash of genius" test is merely another way of stating the statutory requirement of the necessity for invention or discovery, which in most cases and for the greater part of a century has been interpreted as ingenuity greater than that of a worker skilled in his line of work.

It is respectfully submitted that any difference in the application of the present state of the law regarding the

patentability of inventions and the application of the state of the law that formerly existed, is merely one of a more rigorous present standard as to what is ingenuity greater than the skill of the art, in view of the continuously increasing skill of artisans in their several lines. However, the test is, as it must be under the statute, one of whether or not the improvement in question shows more ingenuity than that of a tradesman utilizing merely the skill of his art *of his time.*

The phrase "flash of creative genius" is not an isolated instance of style of expression by the courts, for other phrases can be found throughout the decisions. For instance, in *Densmore v. William C. Schofield,* 102 U. S. 375, 378 (1880), the test is termed a "flash of thought."

In the 7th Circuit, the Court of Appeals used somewhat similar language as being synonymous with ingenuity greater than that of a worker skilled in his line of work. Thus, in *Ronning Machinery Co. v. Caterpillar Tractor Co.,* 129 F. (2) 70, 73 (1942), the court referred to the inventive act as embodying an "essential 'flash of genius' "; and in *Chicago Steel Foundry v. Burnside Steel Foundry Co.,* 132 F. (2) 812, 818 (1943), the court mentioned "flash to the mind" and " a happy thought." Indeed, this Court in the *Cuno* decision fully intended the inventive step to be only skill over and above the skill of the calling, for that decision sums up this phase of the case with the words:

> "That is to say the new device, however useful it may be, must reveal the flash of creative genius not merely the skill of the calling."

The Appellate Court actually followed the ruling of this Court for it found that the respondent's invention embodied ingenuity greater than that of a worker skilled in his line of work.

See also, *Sinclair & Carroll Co., Inc. v. Interchemical Corporation* (1945) 65 Sup. Ct. 1143, 1145; 325 U. S. 327, 331, in which the *Cuno* case is cited as supporting 'he in-

terpretation of invention as "more ingenuity • • • than the work of a mechanic skilled in the art."

The phrase "flash of creative genius" has been widely misinterpreted by law writers, and occasionally by District and Appellate tribunals. Significantly, however, this Court denied certiorari in a case similar to that at bar, viz., *Brown & Sharpe Mfg. Co., et al. v. Kar Engineering Co., Inc.,* 154 F. (2) 48 (C. A. 1), certiorari denied June 10, 1946, 328 U. S. 869. In that case the District Court believed that the claims were valid, but was impelled to hold them invalid on the theory that the invention lacked a "flesh of creative genius." The Court of Appeals posed the question before it as follows:

> "The foregoing squarely presents us with the question whether the Supreme Court in the Cuno case intended to establish for the future a new and higher standard of invention than had prevailed in the past?"

Citing many cases in which the question had been considered, and quoting from several of them, the Court of Appeals, after a discussion of the term "flash of creative genius," as used in the context of the *Cuno* decision, and upon reference to later decisions of the Supreme Court in which the term was referred to, held that, in its judgment, unmistakably all that was intended in the *Cuno* case was a restatement of the classic test. Despite the earlier view of the Court of Appeals for the First Circuit that the *Cuno* case had set a higher standard of invention, it reached the conclusion in the *Brown & Sharpe* case that such earlier view was mistaken.

The denial by this Court of a petition for certiorari in the *Brown & Sharpe* case is ample precedent for the denial of a writ of certiorari in the case at bar on the THIRD QUESTION.

CONCLUSION.

Petitioner seeks to bring the facts and circumstances of this case under the Anti-Trust Laws under an allegation of misuse, but there is no evidence in this case to support any assertion of misuse. Respondent is not seeking a monopoly outside the scope of his patent, for he has a claim in the patent which covers the hanger *per se*. Such claim has been held to be valid, and infringed by petitioner.

The doctrine of contributory infringement is not applicable to petitioner for petitioner is a direct infringer of Claim 14 of the patent in suit and is likewise a direct infringer of Claim 15. Should the doctrine of contributory infringement be considered, then there is no dispute that petitioner is selling an element with the knowledge and intent that it shall be used in the patented combination.

The rule of law on invention, as defined in the *Cuno* case, has been reasserted by this Court in *Sinclair v. Interchemical,* 325 U. S. 327, and has been correctly applied by the Court of Appeals in the case at bar.

Wherefore, respondent prays that the petition be denied.

Respectfully submitted,

ALBERT R. TEARE,
GEORGE W. SAYWELL,
Attorneys for Respondent.

BATES, TEARE & MCBEAN,
Cleveland, Ohio,

THIESS, OLSON & MECKLENBURGER,
Chicago, Illinois,
Of Counsel.

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In the Supreme Court of the United States

OCTOBER TERM—1949.

No. 331.

BERNARD EDWARD CO.,
Petitioner,

vs.

DOUGLASS R. FALKENBERG,
Respondent.

RESPONDENT'S ANSWER TO PETITIONER'S REPLY BRIEF.

A reply brief is deemed advisable for the purpose of showing that petitioner's reply brief is, in the main, a presentation of a different line of reasoning than has hitherto been presented to support the contention that respondent has misused his patent.

In its original brief petitioner contended that improper use of the patent in suit arose because the owner required purchase from him of hangers not covered by the combination claim (15) in that, as repeatedly urged by petitioner before the Trial and Appellate courts, the hanger is not the complete claim 15, or, as the Court of Appeals termed it in its decision (R. p. 159) "less than the full claim." Also, on page 15 of its original brief petitioner refers to the unprotected device as being the unpatented hanger "(insofar as Claim 15 is concerned)."

Now, in its reply brief, petitioner bases its assertion of misuse on the fact that different bracket structures are set forth in the respective Claims 14 and 15 stating (p. 5), "We reiterate that the language of Claim 14 would have to be identical with the language covering the bracket of

Claim 15 for the bracket of Claim 15 to *be a patented part,*" and petitioner quotes and analyzes the claims at issue, Nos. 14 and 15, on pages 2 and 3 of its reply brief.

This varied line of reasoning on the part of petitioner, to uphold its contention of misuse of the patent, is an indirect attack on the validity of combination Claim 15. It is respectfully represented by respondent that the question of validity is not before the Court and should not be considered by the Court.

Petitioner classifies the points of its reply brief, which points it alleges were not fully taken up in its original brief, under four headings set forth on pages 1 and 2 of the reply brief. Petitioner's contentions regarding the first three points are intermingled and overlapping, all being intended, however, to establish misuse of the patent in suit. In fact, misuse is a conclusion which petitioner urges that it has established under each of the first three points (pp. 5, 7, and 8, reply brief).

Respondent's answer to petitioner's contentions regarding misuse will be presented herein under one heading, the utmost effort, however, being made to consider petitioner's arguments in the order in which they are presented under its first three points, which points are argued on pages 2 to 8 of the reply brief.

ANSWER TO THE FIRST THREE POINTS OF PETITIONER'S REPLY BRIEF.

In answer to petitioner's contentions regarding the differences between Claims 14 and 15, respondent respectfully represents that there is no reason why the structure of an element of a combination claim should be necessarily set forth in the same wording as its structure in a claim directed to the element only.

On the contrary, for an article of the character of the subject matter of the patent in suit wherein the combination claim serves primarily the purpose of definitely setting

forth how two hangers cooperate to produce the selective decorative festooning, and the support is only an incidental but necessary member from which to suspend the two otherwise separated hangers, a consideration of the patentability of one claim over another claim could well dictate a different set-up of the hanger in the individual claim from the set-up thereof in the combination claim. Such different set-up in the combination claim, however, is no warrant *per se* for concluding that the hanger part of the combination claim is an unpatented part or that the combination claim is invalid.

As to invalidity, both lower tribunals, on that question of fact, have held both claims in suit valid, unless the *Cuno* case, as was interpreted by the Trial Court, added an additional test of invention to the well known test of more ingenuity than the skill of the calling.

Inasmuch as petitioner bases his conclusion as to the necessity of the language of Claim 14 being identical with the language covering the bracket of Claim 15 upon the allegation (p. 3, reply brief) that there is no claim "in the entire Falkenberg patent" which corresponds identically with the hangers claimed as a part of Claim 15, and states (p. 4) that "no other claim" of the patent in suit covers the bracket if constructed in accordance with Claim 15, respondent respectfully refers to the fact gathered from the record (p. 127) that Claim 13 of the patent in suit, directed to the hanger *per se*, is essentially similar to the hanger part of combination Claim 15. Such similarity also exists between Claim 14 to the hanger *per se* and either of the hanger parts of combination Claim 15 except that the hanger Claim 14 includes the additional extension element.

Petitioner in its reply brief (pp. 2, 3) notes many other alleged detail differences between Claim 14 and the hanger part of combination Claim 15, but these alleged differences are based upon a misconception of the import of the lan-

guage of Claim 15. Based on the description and drawings forming part of the patent in suit, Claim 15 is interpreted as follows:

> *In drapery mountings, the combination with a support* (1, Fig. 1 of the patent; R. p. 119)
>
> *of a pair of hangers* (3 and 3, Fig. 1 of the patent; R. p. 119) *secured to the support and inclined toward each other,*
>
> *the hangers being formed with chambers* (11, Fig. 3 of the patent; R. p. 121) *having spaced open-ended* (26) *entrances* (10) *for the sliding passage into the chambers of folded drapery material* (col. 3 of the patent, line 66 to line 12, col. 4; R. p. 126)
>
> *whereby there is provided by the chambers a flexible accommodation for material to facilitate selective decorative dependent draping of the material from the hangers* (Col. 4 of the patent, lines 22-28; R. p. 126).

From the above interpretation of Claim 15 it may be noted that petitioner is in error when it says (p. 3, reply brief):

> "Furthermore, Claim 14 includes
>
> 'a body having a succession of spaced slots intersecting the periphery thereof'
>
> and also includes
>
> 'chambers which are continuations of the respective slots.'
>
> None of these elements are found in Claim 15,"

since the hangers of Claim 15 have chambers and these chambers have entrances whereby sliding passage into the chambers of *folded* drapery material may be effected, and these entrances are open-ended and are spaced. "Spaced" and "open-ended" can refer only to the *peripheral* or exterior portions of the sliding entrances since the chamber ends of the entrances would necessarily be open; otherwise, the "entrances" would not be entrances.

Petitioner's statements at the bottom of page 3 and on pages 4 and 5 of its reply brief regarding holdings in the case of

Mercoid Corporation v. Mid-Continent Inv. Co., 320 U. S. 661, 667,

are contrary to what respondent understands the following passages from the *Mercoid* case to mean:

(P. 663):

"(1) The controversy centers around the license agreement between Mid-Continent and Minneapolis-Honeywell. By that agreement Minneapolis-Honeywell received an exclusive license to make, use, sell, and to sub-license others to make, use, and sell the Cross combination patent No. 1,758,146. The royalty payments under the license, however, were to be based only upon sales of the combustion stoker switch which was an element of the combination patent embodied in the patented article *but which was itself unpatented.* The license agreement was construed by the Circuit Court of Appeals to mean that the royalty payments were to be made *only on switches used for fire maintenance purposes under the Cross patent.* And Minneapolis-Honeywell in advertising its stoker switches stated that *the 'right to use' the Cross system patent was 'only granted to the user' when the stoker switches of Minneapolis-Honeywell were purchased from it and used in the system,*" and

(P. 666):

"The patent is a privilege. But it is a privilege which is conditioned by a public purpose. It results from invention and is limited to the invention which it defines. When the patentee ties something else to his invention, he acts only by virtue of his right as the owner of property to make contracts concerning it and not otherwise. He then is subject to all the limitations upon that right which the general law imposes upon such contracts. The contract is not saved by anything in the patent laws because it relates to the

> invention. If it were, the mere act of the patentee could make *the distinctive claim of the patent attach to something which does not possess the quality of invention.* Then the patent would be diverted from its statutory purpose and become a ready instrument for economic control in domains where the anti-trust acts or other laws not the patent statutes define the public policy." (Emphasis added in both quotations.)

Neither does respondent find any warrant in the case of *Mercoid Corporation v. Mid-Continent Inv. Co.*, 320 U. S. 661, 667, 668, for the statement at the bottom of page 5 of the reply brief as follows: "When Courts use the word 'unpatented' in discussing combination claims, *they mean that the part is unpatented insofar as that claim under consideration is concerned.*" Nothing is stated in the *Mercoid* case to the effect that the entire consideration of the matter of misuse is based on only one claim of a patent, or only one element of a claim, since the *Mercoid* case states (p. 667):

> "The patent is employed to protect the market for a device *on which no patent has been granted*" * * *
>
> "Since none of the separate elements of the combination is claimed as the invention, none of them when dealt with separately is protected by the patent monopoly."

Respondent *has a claim* to one element of his combination Claim 15, and, as a part of the record (p. 127) before the court, Claim 13 of the patent in suit may be noted.

Defendant was charged with infringement of Claim 13 along with other claims mentioned in interrogatories propounded by plaintiff (R. p. 6) but to simplify proceedings at the trial plaintiff elected to rely upon Claims 14 and 15 (R. p. 15). Significantly, the proof offered by petitioner in defense in this case is no different from that mentioned in its Answer.

Petitioner in its reply brief (pp. 3 and 4) has argued relative to all of the claims of the patent in suit.

Petitioner asserts (p. 5, reply brief) that the Kirsch Company as a "licensee" is in the same position as the licensee in the *Mercoid* case (320 U. S. 661, 667). The designation of the Kirsch Company, however, as a licensee is not in accordance with the usually accepted definition of a licensee. The Kirsch Company is merely an exclusive distributor of the products which are made entirely and solely by respondent. There is nothing in the record as to any arrangement between respondent and the Kirsch Company other than appears from the following testimony on this point (R. pp. 42, 43):

"Q. Are you presently in your own business, Mr. Falkenberg?

A. Yes.

Q. You never assigned that patent?

A. No.

Q. Have you licensed it to anyone?

A. No.

* * * * *

Q. What is your connection with the Kirsch Company?

A. With the Kirsch Company? They distribute my products.

Q. Who manufactures your products?

A. I do.

Q. Are they your exclusive distributor?

A. Yes, they are."

The Kirsch Company purchases brackets from respondent and in turn sells them to the trade. The brackets as purchased by Kirsch are covered by claims of the patent in suit other than Claim 15, as are the brackets of petitioner. Obviously, any purchaser of brackets from Kirsch would obtain an implied license to use them, but that is no different from the ordinary situation of anyone who purchases any patented article. The right to use a purchased article in accordance with its intended use is implied by virtue of the consideration which passes between the maker and the seller.

In fact, any discussion of the relations of record between respondent and the Kirsch Company appear superfluous since respondent could sue ultimate users of unemancipated brackets for infringement of Claim 15 whether or not he had a licensed distributor. Apparently, the bringing of the so-called licensing arrangement into the discussion is merely for the purpose of simulating the facts of the *Mercoid* case.

A defect in the reasoning of petitioner as to what was held in the case of

Philad Co. v. Lechler Laboratories, Inc., 107 F. (2) 747, 748, 749 (C. A. 2d, 1939),

appears to arise from misapplying the phrase "outside of the combination."

Possibly it might be argued (in a hypothetical case) that respondent would be restricted from selling his patented hangers on condition that they be used only on a certain type of window frame, also patented to respondent *and not embraced* by the hanger patent.

Furthermore, the *Philad* case was not a suit both upon the appliance patents and the process patents, so that the appliances, for the purpose of that suit, were regarded as unpatented. The Court said that the plaintiff might test its rights by suit for ordinary infringement of the product patents.

Respondent herein is suing petitioner for infringement of both Claims 14 and 15.

Petitioner argues concerning respondent's sins with respect to Claim 15, stating (p. 5, reply brief) that respondent is using combination Claim 15 as a club over the public to control the business in an unpatented bracket. This is a reiteration in somewhat varied language of petitioner's complaint in its original brief (p. 33) concerning the alleged seriousness of the Court of Appeals decision, this complaint being supplemented by one relating to the uncertainty about how the ultimate user will use the hanger.

However, there is no uncertainty about how petitioner intends its hangers to be used or about the explicit directions it gives the purchasers of its hangers in its direction sheets packaged with each set of its hangers (Pltf.'s Ex. 3, R. 17, 97). That direction sheet fully and in detail shows and teaches the use of petitioner's hanger, the method of draping valance material thereover and the decorative festooned valance result, all of which are substantially identical to the teachings of the patent in suit.

Petitioner can hardly complain of uncertainty regarding the ultimate user when it teaches that user of its brackets how to infringe and advises only concerning a draping which effects an infringement, and, following these directions, the user does infringe, and thus renders petitioner a contributory infringer. In fact, as fully set forth in its brief in opposition to the petition for certiorari (pp. 11, 12), respondent maintains that petitioner, by virtue of its manufacture and sale of hangers and the showing and teachings in its circular regarding the use of the same, is a direct infringer of Claim 15.

A casual inspection of petitioner's circular will show the complete product and result of combination Claim 15 to which petitioner's bracket contributes. Petitioner makes certain that there will be no capricious conduct by users which would not be an infringement. Petitioner makes certain that its hanger will be used in an infringing manner.

Respondent in its notice of infringement sent to petitioner (R. p. 7) made no charges regarding any type of hanger other than that illustrated by petitioner's Beco All Plastic Valance Hanger. This is the hanger illustrated in and whose use is explained and described in Plaintiff's Ex. 3 (Def. Instruction Sheet, R. pp. 17, 97). It is the hanger of which Plaintiff's Ex. 1 (R. p. 15) is a sample. Petitioner acknowledges (R. pp. 16, 21) that these Exhibits 1 and 3 are samples of the hanger which it manufactures and correctly describes the way in which it is intended to be used.

The record is barren of any evidence regarding other types of hanger made and sold by petitioner or other ways of using hangers for decorative valance festooning.

The actual merit of the matters presented by petitioner under points 1, 2, and 3 of its reply brief appear to be fully and correctly resolved,

AS TO INFRINGEMENT

by the finding of the Trial Court, adopted by the Court of Appeals, to the effect that the evidence clearly shows that defendant set out to, and actually did, copy plaintiff's device, and that the only basic difference between the two devices was an addition by defendant which tends to accentuate the copying rather than differentiate it;

AS TO VALIDITY

by the finding of the Trial Court to the effect that plaintiff's hanger was novel, presented a genuine improvement in the drape-hanging trade, and had remarkable public acceptance, elements which under the state of the law, except as the latter was changed by the "flash of genius" necessary to constitute invention which the Trial Court interpreted as having been declared in the *Cuno* decision, would probably combine to produce patentable invention;

and

by the finding of the Court of Appeals to the effect that all of the prior art patents argued in its court were issued at least fifteen years prior to plaintiff's filing date, that Berglund operates at the lower or sill level of the window, enters the picture after the draping expertly formed at the top of the window has been effected, both the devices of appellant and appellee effecting graceful falls of the material depending from the top of the window, that neither Law nor Kuhnel could be used for festooning, that Kimball would not produce uniform and symmetrical ornamental

draping, and that the claims in suit are not anticipated by any of the patents cited by defendant; and

AS TO MISUSE

by the fact that there is nothing in the record to excite even a suspicion that respondent has used his patent to secure benefits beyond the scope of his patent grant.

ANSWER TO POINT 4 OF PETITIONER'S REPLY BRIEF.

Petitioner now asserts (pp. 2, 8) that the decision of the Court of Appeals gave the patent in suit the "status of a 'pioneer' patent." However that may be, respondent is satisfied to rely upon the patent rating found by the Court of Appeals (R. p. 159) as follows:

> "We are of the opinion that the claims in suit are not invalidated by any of the patents cited by defendant."

Petitioner also states in his reply brief, p. 9, that "neither Claims 14 or 15 recite disposition of the hangers on the window frame at the top corners thereof." In answer to this contention, respondent respectfully directs attention to the description and drawings of the patent in suit, and also to the fact that Claim 14 is directed to the decorative *hanging* of draperies, and that Claim 15 is directed to *dependent draping* of the material from the hangers.

CONCLUSION.

Respondent respectfully urges that nothing is presented in petitioner's reply brief warranting the granting of the petition for certiorari, and prays that the petition be denied.

Respectfully submitted,

ALBERT R. TEARE,
GEORGE W. SAYWELL,
Attorneys for Respondent.

BATES, TEARE & MCBEAN,
Cleveland, Ohio,

THIESS, OLSON & MECKLENBURGER,
Chicago, Illinois,
Of Counsel.